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NEWS SUMMARY

GENERAL

Amin's troops 'trapped in battle'

Ugandan-backed forces have encircled President Idi Amin's troops in Uganda, and cut them off from the capital of Kampala, according to Ugandan officials. They said urban guerrillas are hitting targets in the capital and elsewhere. The encirclement followed a tactical retreat by anti-Amin forces towards Masaka, which they captured earlier in the fighting.

UC in hospital

The TUC has stepped into the health service pay dispute in bid to solve differences between the National Union of Public Employees and the other unions involved.

NUPE has rejected the government's latest 9 per cent offer with a comparability study of £1 on account, and plans to step up action in hospitals. The other unions have accepted the offer. Page 9

S. air threat

The U.S. may be planning to take a much tougher attitude towards European governments increased air services, super air fares and greater competition with U.S. airlines. It cannot get its own way on air aviation affairs. Back Page

CAS steps in

C management and Association of Broadcasting Staffs went to the Advisory Commission and Arbitration panel last night for talks on a dispute which has hit all side broadcasts and recordings of some other programmes. A dispute is over the dismissal of a man for an alleged assault.

Ar declared

An Afghan Muslim rebel group has declared holy war on the Islamic regime of Nur Mohammed Taraki, amid reports of further clashes in the country.

Import girls ill

Girls working at Heathrow terminal quarantine centre have been infected with a disease, believed to have been caught from a consignment of Amazon parrots. The girls are in danger.

Runaway train

A train ploughed into the back of an empty diesel engine at a signal in Sheffield when the brakes failed. Passengers escaped serious injury after the driver herded them to the carriages.

Mozambique raid

Mozambican aircraft attacked a British Front targets deep inside Southern Mozambique — a fifth cross-border attack in two weeks.

Lark appeal

Former Metropolitan Police Commissioner Sir Robert Mark unheeded a £250,000 charity appeal for the homeless with a personal £50,000 donation from television tyre commercial.

Refly

Reversion actor John Bindon was committed for trial at Old Bailey, accused of ordering John Darke in a London club.

Mountaineering team led by

Mountaineering team led by a conqueror Doug Scott, London to attempt the world's third highest peak in the Himalayas.

Robert Relf, in jail for inciting

Robert Relf, in jail for inciting racial hatred, can continue his hunger strike until he dies, Lord Justice Lawton said.

BUSINESS

£ makes headway; Equities up 3.9

STERLING made progress against most major currencies in the foreign exchange market, and its trade weighted index, which rose at one stage to 65.1

—its highest level for more than a year—closed 0.1 up at 65.0. The pound rose 2.2 points to \$2.0410.

EQUITIES advanced further on institutional buying and the FT 100 index closed 3.9 up at 519.3. Official marketings were the highest for over 18 months.

GILTS were marked down in early trade, but closed above their worst with falls of 1/2. The Government Securities Index fell 0.17 to 72.93.

COPPER prices fell sharply as a result of heavy selling, with cash wirebars 234 down at \$297.5 a tonne. Page 39.

GOLD fell 5/16 to \$358.1 in dollar trading.

WALL STREET was 5.64 down at \$39.22 just before the close.

RETAIL SALES in February rose by 1.1 per cent compared with January, recovering sharply to the level of the second half of last year. The recovery is interpreted as an encouraging indicator of the underlying level of trade for the first half of this year. Back Page

FIRST NATIONAL Bank of Chicago has increased its prime rate by 1/4 of a point to 11 1/2 per cent. Page 5

LAURENCE is close to concluding a \$150m standby loan and an urgently needed stabilisation package with the IMF. Western bankers are confident that Zaire's President Mobutu will be forced to accept their tough conditions for the finance because of the parlous state of his country's economy. Back Page

STANDARD OIL OHIO, BP's American affiliate, may drop its \$1bn project to pipe Alaskan oil from California to the central and eastern U.S. because of environmental and bureaucratic obstacles.

COMPANIES

ROLLS-ROYCE Motors Holdings increased pre-tax profits by 33 per cent from £11m to £14.6m in 1978 on turnover 25 per cent up at £152.2m. Page 21 and Lex

ALGINATE INDUSTRIES, the UK seaweed processor, is having bid talks with FMC Corporation, the third largest processor in the U.S. A £21m bid for Alginates from Merck lapsed when it was referred to the Monopolies Commission. Back Page

NORCROS has won its battle for control of H and R Johnson. Tiles, with the announcement that its £33.6m offer had gone unconditional. Back Page

LUCAS motor components group's legal battle over takeover plans for Duple is being helped by the Paris Commercial Tribunal's quashing of Perodo's moves to prevent Lucas assuming control. Page 33

Carter to see Sadat today after weekend talks with Begin

BY JUREK MARTIN AND DAVID LENNON IN JERUSALEM

President Carter will fly to Cairo today as a possible climax to his Middle East peace mission. He will confer with President Anwar Sadat at Cairo airport and then fly back to Washington.

The President extended his stay in Israel until this morning when he will have breakfast with Mr. Menachem Begin, the Israeli Prime Minister. Mr. Carter has had three days of protracted and arduous negotiations with Mr. Begin and last night their outcome still remained in doubt.

Mr. Begin emerged in the evening from yet another Israeli Cabinet meeting to declare that "great progress" had been made in solving outstanding problems. But once again he hinted that several problems still remained outstanding.

Mr. Begin promised continuous negotiations until an agreement was reached but said that this round of talks was at an end, that it was going to rest, and that it was up to the Americans to decide what to do next.

It is likely that Mr. Cyrus Vance, the U.S. Secretary of State, who was due to have further discussions with his Israeli counterpart, Mr. Moshe Dayan later last night, would also fly to Egypt. The U.S. side has been in contact with Cairo but no word is available on the Egyptian response.

The Israeli Cabinet had apprised President Carter of its all-night deliberations early in the morning. Yet it was clear that the Israeli position did not satisfy the U.S.

It appeared that progress had been made towards a timetable for self-rule for Palestinian Arabs living in Gaza, although disagreement persisted on what role Egypt should play in the area.

The timing of the establishment of full diplomatic relations was still a sticking point. So was the Israeli demand for Egypt to sell oil from Sinai after a withdrawal. Details of both the progress made and the obstacles outstanding, however, were still kept closely guarded.

The Israeli Cabinet went back into session in the afternoon. Later, its defence committee was joined by Mr. Vance.

Continued on Back Page

Palestinian threats Page 4 • Carter's foreign and domestic policies Page 28

Emergency debate on French unemployment

DAVID WHITE IN PARIS

The French National Assembly will meet in an emergency session tomorrow to debate the Government's employment policy, a controversy heightened by recent outbreaks of violence in crisis-ridden steelmaking regions.

The emergency session—the first since the war—was called yesterday by President Valéry Giscard d'Estaing in response to demands from a majority of MPs.

A Gaullist proposal to set up two special commissions of inquiry will be debated. The first would examine employment, the success or otherwise of Government measures to reduce the number of jobless (running at 13.5m according to official figures), and the impact of EEC policies.

A second is being proposed to look into the dissemination of information by the Government.

The demands for a special session came from all three of the main political groups other than the President's own UDF centre party. The debate, expected to last until the weekend, coincides with campaigns for cantonal elections, the first round of which takes place on Sunday.

The main question is how far M. Giscard's coalition partners, the RPR Gaullists, are prepared to go in their attacks on the Government's economic and European policies. Of the Assembly's 155 RPR members, 144 endorsed the call for an emergency debate, alongside virtually all the Communists and Socialists.

M. Jacques Chirac, the Gaullist leader, has, however, ruled out pressing a censure motion against the Government. The Communists and Socialists plan to table censure motions but have failed to agree on a common platform.

In agreeing to the demands of the 315 MPs who backed the call for a special debate—well above the necessary straight majority of 248—the President expressed strong reservations about the move and its timing.

It would be the first time in post-war French history, he said in his reply to M. Jacques Chirac-Delmas, the Speaker, that the National Assembly had met during an election campaign.

The debate also comes at an important time for the opposition parties in so far as both the Socialists and the Communists are preparing for congresses, the former—a key one in which the Socialist leadership may be at stake—in April and the latter in May.

Negotiations between the unions and the main steel companies, which were brought under effective state control last year, are entering a crucial stage. M. Raymond Barre, the Prime Minister, reiterated at the weekend that the Government would not change its mind about its plans to re-structure the steel industry.

New protest at Banking Bill

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

A GROUP of 25 foreign banks with representative offices in London is planning a last-minute campaign to alter one of the main provisions of the Banking Bill, now going through Parliament.

Jammal Trust Bank, one of the largest banks in the Lebanon and the main organiser of the group, claims that the Bill as presently drafted discriminates against banks from outside the EEC.

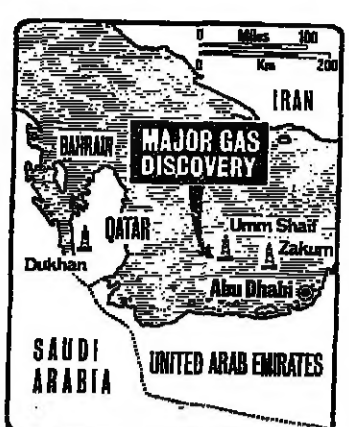
The banks concerned are worried about a provision in the Bill which restricts the use of "bank" to institutions recognised as such under the new proposals. Other concerns will fall into the second-tier category of "licensed deposit-taking institutions."

Under the provisions of the Bill, those second-tier concerns with head offices in the EEC will be permitted to continue with titles including the word "bank," provided the UK name is followed by the description: "Licensed Deposit-Taker." But non-EEC institutions will have to eliminate "bank" from their titles completely.

All 25 of the protesting foreign banks come from outside the EEC, and most are based in the developing countries. None of them is authorised under the Exchange Control Act—the rough guide quoted to indicate which banks will obtain recognised bank status when the Bill becomes law.

The banks will meet today at the London office of Jammal Trust Bank to decide on tactics. They are conscious of the need to move quickly since the Banking Bill, which is due to go into its committee stage in the Lords next Tuesday, is now on its final stages through Parliament.

The basis of the bank's case is that the Bill discriminates against non-EEC banks. They want it amended to allow them to continue to operate under their domestic names in London.



MAJOR GAS DISCOVERY

Abu Dhabi

By Kevin Done in Abu Dhabi

Big gas find off Abu Dhabi

A MAJOR new gas field which could prove one of the world's largest has been found in the Gulf off the coast of Abu Dhabi.

The deep exploration well is not yet complete but it is understood that it has encountered a gas reservoir spanning a depth of several hundred feet.

Dr. Mahmoud Hamra-Krouha, general manager of the Abu Dhabi National Oil Company, said yesterday that the find was "very encouraging."

The well is being drilled to a total depth of 15,200 feet, and has 500 feet to go before it can be fully tested.

Drilling at these depths, where extremely high pressures are encountered, must be done very slowly. It could be some time before the exact results of the tests are known.

The discovery is not associated with an oil field. The reservoir is thought to consist mainly of methane and ethane—"lean" gas that could be processed and exported in the form of Liquefied Natural Gas.

The main offshore operating company in Abu Dhabi, Adma-OPCO is doing the drilling. Abu Dhabi National Oil has a 60 per cent share in this company, the rest being held by British Petroleum (14 per cent), Compagnie Française des Pétroles (Total) (13 per cent) and Japan Oil Development (12 per cent).

No sharing

But the Western oil companies can share only in crude oil. Under local law the title to all gas finds, whether on land and onshore, lies 100 per cent with the Abu Dhabi National Oil Company.

This latest exploration well goes through the Umm Shaif crude oil reservoir to reach the deep Khuff rock formation. This level has already been shown to contain gas in Qatar, the neighbouring emirate, about 120 miles to the west of the Umm Shaif field.

In Qatar the Khuff formation gas field, discovered below the onshore Dukhan oil field, could

Continued on Back Page

Callaghan threat to EEC budget

BY GUY DE JONQUIERES IN PARIS

MR. JAMES CALLAGHAN warned yesterday that Britain might refuse to pay its full EEC budget contribution after 1981 unless the Community had embarked by then on a major reform of its policies and spending.

He told other EEC leaders at their Paris summit that the budget—more than three-quarters of which is devoted to financing agriculture—no longer corresponded to Europe's most pressing economic and social needs and required fundamental revision.

Spending on agriculture would have to be cut through a price freeze lasting several years if necessary, to eradicate surpluses, while more EEC money should be spent instead on restructuring industry, creating new employment and renovating urban and industrial areas in decline.

He also warned that the UK was deeply dissatisfied with the growth of its net budget payment, estimated at almost \$900m this year. The prospect that it would become the largest net contributor by next year was quite unacceptable and the EEC would have to face up to this problem urgently.

Mr. Callaghan, in effect, gave the Community about three years to meet his demands by insisting that progress be made towards fulfilling them by the time the present EEC budget funding arrangements are exhausted. This is expected in 1981, and if the budget is to grow, EEC governments will then have to approve an increase in the proportion of their national value-added tax payments which they contribute to Brussels.

Mr. Callaghan said: "When this happens, certain member states will be asked to increase their contributions to finance what is expenditure while others will have institutional difficulty in increasing their contribution. We do not have much time to put the matter right."

His reference to institutional problems was apparently aimed primarily at Germany, where officials have already suggested that it could be legally and politically difficult to win approval for an increase in the EEC's share of VAT collections above the present 1 per cent.

Mr. Callaghan's speech, which constitutes by far the strongest and most authoritative statement of grievances yet made publicly by any British minister about the EEC, evoked predictable mixed reactions.

Only the Italian Government appeared broadly in agreement with the British demand, while

price freeze not only this year but every year until agricultural surpluses were eliminated. At one point yesterday he hinted that we would favour an actual price cut, though he did not press the point.

He conceded that the EEC could not settle its budget problems outside the framework of its prospective enlargement to include Greece, Portugal and Spain.

But he emphasised that the threat of future EEC spending must essentially be in areas of interest to Northern Europe and particularly to the UK. It should concentrate on the redevelopment of derelict industrial land and on the restructuring of hard-hit sectors such as steel and shipbuilding.

To do this, the Community would have to substantially increase the grants made available through the regional and social funds.

Mr. Callaghan focused largely on the need for changes in the pattern of EEC spending, rather than on ways in which the structure of national budgetary contributions could be reformed.

£ in New York

| | Mar. 9 | Previous |
|-----------|---------------|----------------|
| Spot | \$2.075-0.025 | \$2.0545-0.055 |
| 1 month | 0.43-0.58 | 0.43-0.58 |
| 3 months | 0.76-0.89 | 0.81-0.78 |
| 12 months | 1.95-1.76 | 2.25-2.20 |

PRICE CHANGES YESTERDAY

| | |
|--|-------------|
| Prices in pence unless otherwise indicated | |
| RISERS: | |
| London 51 1/2 | 82.74 + 1/2 |
| London 51 1/2 | 227 + 18 |
| London 51 1/2 | 27 + 6 |
| London 51 1/2 | 66 + 7 |
| London 51 1/2 | 81 + 5 |
| London 51 1/2 | 165 + 8 |
| London 51 1/2 | 42 + 8 |
| London 51 1/2 | 445 + 15 |
| London 51 1/2 | 380 + 12 |
| London 51 1/2 | 180 + 7 |
| London 51 1/2 | 113 + 11 |
| London 51 1/2 | 171 + 51 |
| London 51 1/2 | 149 + 19 |
| London 51 1/2 | 60 + 12 |
| London 51 1/2 | 198 + 28 |
| London 51 1/2 | 78 + 8 |
| London 51 1/2 | 682d + 61 |
| London 51 1/2 | 390 + 15 |
| FALLS: | |
| London 51 1/2 | 12.95 |
| London 51 1/2 | 12.95 |
| London 51 1/2 | 42 - 6 |

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EUROPEAN NEWS



Herr Herbert Wehner: style in question. Herr Hans-Dietrich Genscher: heart problems recur. Herr Hans Krieschick: back to the provinces. Herr Willy Brandt: back from convalescence.

Bonn parties face leader problems

BY JONATHAN CARR IN BONN

A SERIES of leadership problems threatens to weaken the West German ruling coalition parties—with less than one week to go to important provincial elections.

Until recently, the Social Democrats (SPD), the senior coalition partner, had been expected to strengthen their position in West Berlin.

At the last Berlin elections, the SPD gained 42.6 per cent of the vote and, as in Bonn, formed a governing alliance with the liberal Free Democrats (FDP).

Next Sunday also see elections in the Rhineland Palatinate—an opposition Christian Democrat (CDU) stronghold, but one where the SPD has been conducting a vigorous campaign under Herr Klaus von Dohnanyi, its local candidate.

But only now has Herr Willy Brandt, SPD chairman, been

able to take up his duties again after a long convalescence, though he has made it clear he will not be able to be as active politically as formerly.

Further, it is feared that Herr Brandt's intention—publicly announced last week—to divorce his wife after more than 30 years of marriage, may reflect against the SPD at the polls.

Many in the SPD endorse Herr Brandt's point that politicians must be able to have a private life, but believe that the electoral battle in Berlin—where Herr Brandt used to be Governing Mayor—may now have become still harder.

Concern also exists within the SPD over the impact of recent remarks by Herr Herbert Wehner, 72, the SPD's parliamentary floorleader, on disarmament questions and relations with the Soviet Union.

Even those who share Herr Wehner's general line that the West should be more active in pressing for détente with the East fear that the floorleader's style is clearly open to misinterpretation by Bonn's Atlantic alliance allies.

The question is raised whether a younger man with a different presentation might not prove more effective.

Almost coinciding with all this has been the surprise announcement by Herr Hans Krieschick, a relatively young and active deputy chairman of the SPD, that he plans to forsake his Bonn post to return to provincial politics.

The FDP, too, has its difficulties. Herr Hans-Dietrich Genscher, Foreign Minister and party chairman, has just left hospital after a recurrence of heart irregularity, and is to take

an extended rest at home.

His place at last week's parliamentary defence debate was taken by Count Otto Lambsdorff—widely thought to be the obvious replacement should Herr Genscher have to step down. But there is no clear candidate for Count Lambsdorff's job as Economics Minister.

Officially, the FDP insists there is no question of Herr Genscher giving up. But he has been having health trouble for many months now and his double job as Minister and Chairman is one of the most taxing in Bonn.

All these developments serve to underline the ever more crucial role falling to Chancellor Helmut Schmidt—both in the SPD as a deputy chairman and as leader of a Cabinet in which broad experience has already become scarce and may become still more so.

Strike hits principal ports in France

Another 24-hour strike by dockers has severely disrupted all important French ports, apart from Le Havre. Transport Ministry officials told Reuters in Paris. Dockers at Le Havre were only expected to stop work for a few hours.

The unions, who struck for 24 hours earlier this month, are protesting about holiday arrangements and pay.

Common fund talks

The developing states reaffirmed their claim for a voting majority in the running of a common fund for commodity price stabilisation as the fourth round of talks began in Geneva yesterday, AP reports. The "Group of 77," as the Third World bloc is called, also insisted that the fund be financed primarily from government contributions over and above an initial payment of \$1m per state.

EEC job creation

Italy and Britain received the lion's share of Common Market aid towards job creation last year, according to EEC statistics. Reuters reports from Brussels. Italy's share of the social fund was 41 per cent (\$314m) and Britain received \$815m (19.7 per cent).

Bourse strike goes on

The Paris Stockbrokers Association yesterday rejected resumption of talks with unions representing the striking bourse employees, a union spokesman told Reuters.

Fuel short in Turkey

A serious petrol and diesel shortage has disrupted transport in Turkey, AP reports from Ankara. Rising prices of crude, a general scarcity because of the Iranian situation and hoarding by some concerns were responsible for the shortage, according to officials.

Dissident suicide

Ukrainian historian Mikhail Melnik committed suicide after KGB security police searched his house in one of a series of co-ordinated raids on the homes of dissidents and sympathisers, dissidents told Reuters yesterday in Moscow.

Swiss deficit lower

The Swiss budget showed a deficit of SwFr 719m (\$212m) in 1978, compared with the expected shortfall of SwFr 1,211m, the Finance Ministry told Reuters in Bern. Spending at SwFr 15,838m was 2.1 per cent lower than the budget forecast. Revenue at SwFr 15,119m was 1 per cent higher.

No Irish move against sterling

BY STEWART DALBY IN DUBLIN

IRELAND plans not to devalue its pound (punt) against sterling in advance of the introduction of the European monetary system (EMS) which Ireland has joined, but Britain has not. This was made clear by Dr. Martin O'Donoghue, Minister for Economic Planning and Development.

Ireland's intention, he said, is that initially, at least, the party link is to be maintained. But technically, the Republic has broken the 150-year-old link with sterling and has had exchange controls against sterling since last December 18.

The Minister refused to be drawn on how long the party is expected to last once the EMS gets properly under way. Suggestions that Ireland would devalue against sterling to improve export competitiveness in Britain (some 48.9 per

cent of exports still go to Britain) led to a rush out of Irish Government stocks last Friday. In the last quarter of 1978 an estimated £200m worth of funds, largely from Britain, were pumped into the Irish gilt market in the hope of a foreign exchange gains and a possible dollar premium windfall should the Irish pound appreciate against sterling or the Bank of England impose exchange controls against Ireland.

In the event, a delayed start for the EMS meant that the Irish gilt market went into a hiatus. But last Friday saw the largest sales of gilts in months. It is estimated that some £30m worth of Government stocks were off-loaded in one day. Following Mr. O'Donoghue's statement, however, the markets yesterday were very quiet.

Mr. Jack Lynch, the Prime Minister, will reiterate the need for wage restraint when he returns from the Paris summit, as an important condition of the EMS. But he is likely to face a belligerent response from trade union leaders who are expected to meet him later this week in the first top level round of talks to get some form of agreement to replace the nearly expired national wage pact.

Officials of the Irish Transport and General Workers' Union, the largest in the country, led a massive march through Dublin last Sunday to protest against the system of PAYE taxation. About 50,000 PAYE taxpayers marched through Dublin streets at the weekend demanding to know why they pay rates of tax ranging from 25 to 60 per cent deducted at source, while the country's 180,000 farmers pay virtually no tax at all.

French export orders show marked upturn

BY TERRY DODSWORTH IN PARIS

FRENCH manufacturing industry is benefiting from a marked upturn in export orders, which will sustain a modest improvement in output over the next few months.

But imports are also increasing, the latest survey of the employers' association shows. The report, based on manufacturers' views of future trends, said that overseas markets recovery has been particularly strong in consumer and semi-finished products.

Biggest upswing has been in West Germany and Eastern bloc countries, a result which underscores France's positive export strategy towards Comecon. On the debit side, the employers are concerned that increases in production costs are reducing competitiveness abroad. The investment outlook remains uncertain, they emphasised, after a sluggish time for capital goods sales in the past few months of 1978. But no improvement in the

market is expected before the summer. Investment in the electronic sector, however, is progressing satisfactorily. In contrast to the employers, French consumers seem to be taking a cautious view of the future, mainly due to the steady rise in unemployment. A report by the French national statistical office says that increasing pessimism about the future lies behind a slight declining consumption and the growth in savings expectations.

But the employers stress that unemployment levels vary enormously from region to region, while new employment is being created at about the same rate as jobs are being lost.

● France will do all it can to reach a growth target of 3.7 per cent in 1979, M. René Monory, Economics Minister, said, Reuters reports from Paris. On prices, M. Monory said the Government hopes to do "a fair bit better" than last year.

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Ford team in Lisbon talks

BY OUR LISBON CORRESPONDENT

THE PORTUGUESE Government is stepping up its campaign to attract Ford's projected \$1bn European assembly plant, according to officials here.

A visit to Lisbon at the weekend by a financial team from Ford Europe's UK headquarters was followed yesterday by a team of engineers. Technical discussions between Ford and Portugal are centring on a proposal presented last month by the Portuguese which calls for development of a site at the industrial complex at Sines.

Although Sines with its existing infrastructure appears to be the most interesting possibility for Ford in

Portugal, two other sites are also believed to be under consideration. These are at Setubal, Lisbon's industrial suburb, and at Ford's present assembly plant at Azambuja, north of the capital.

Ministry of Industry officials view the interest now being shown by Ford as confirmation that the Portuguese offer is being taken seriously by Ford, which has also investigated sites in France, Austria, and Spain. Officials stress that the Portuguese challenge has only an outside chance of succeeding. A decision is expected from Ford before the end of the month. Portugal's latest approach to Ford are being made

against a background of increasing Government activity to revitalise the country's motor industry.

This includes the resumption last week of what is probably the final stage of negotiations with Renault on the French company's plans for a new engine and components factory. An agreement valued at FFr 1.2bn is expected within a few weeks. Meanwhile, Portugal is awaiting a reply from the EEC Commission to a request that a system of preferential quotas on imported units should be extended for another five years to protect any major new investment in the Portuguese industry.

Concern over tourism despite an abundance of sun, sea and sand

BY JIMMY BURNS, RECENTLY IN THE ALGARVE

"WHEN THEY threatened to take the hotel by force, we took out our guns and barred the windows. Then I told them that we would shoot unless they got away from there."

The speaker is 41-year-old Sr. Fernando Barata, arguably Portugal's most successful hotel owner. The description is of an attempted "occupation" of his four-star hotel, the Sol E Mar, during the hot summer of 1978, when Portugal's short-lived revolution appeared to be reaching a high point in Albufeira, the Algarve's most popular tourist resort.

Similar "occupations" took place throughout the Algarve and plunged Portugal's tourist industry to its lowest ever ebb. Siting safely inside his hotel as he recalls the event, Sr. Barata believes that political stability is no longer a factor in Portugal. "There won't be trouble here for at least another 20 years," he remarks.

Outside on the terrace where he once confronted the workers, an elderly group on a package tour from Manchester turn lobster red in the winter sun. Along the streets of Albufeira, political graffiti has been whitewashed from the walls.

Sr. Barata has personally strong repulsion of the trouble, and has employed the services of a lawyer, learned in the loopholes of Portugal's ambiguous labour laws.

As a result there were few repercussions other than a rather impotent communique in the local union newspaper when 12 employees were recently dismissed from the Sol E Mar.

For Sr. Barata—at 15 a waiter from the Alentejo doing the rounds of Europe, now at 41 the proud owner of a tourist empire including four 4-star hotels, six apartment blocks and 22 restaurants—the difficulties in 1979 are with the Government rather than the unions.

Sr. Barata is convinced that tourism in Portugal could outstrip the boom year of 1973 but that the Government is holding back from investment.

Along with immigrant remittances, tourist earnings proved to be a major item offsetting last year's estimated trade deficit of \$2.4bn.

Sr. Barata, however, claims that employers in the industry are prevented from expanding because of the domestic credit squeeze and the absence of Government subsidies.

"I could build another 5,000 beds and guarantee to fill them overnight but I've been waiting for an answer from Lisbon for over two years," says Sr. Barata. Portugal's non-party Govern-

ment led by Dr. Carlos Mota Pinto has defined tourism as a priority sector in its short-term economic plan. Against a background of continuing financial instability on the home front, however, the Government is exercising caution before setting out on any major new investment.

According to Sr. Cabrito Neto, the president of the Algarve's regional commission for tourism, building new hotels in the region may help cater for the extra tourists in the summer but still represents a major risk, particularly in the low season.

For at least four months in the year, hotels lie empty while employees are sent off on "extended" holidays, not such a seasonal welcome when un-

employment is running at an annual rate of 13 per cent. For the Government, the most obvious answer to the problem is to "sell" the Algarve as a worthwhile winter prospect. An initial promotion campaign appears to have been successful. At Albufeira, enthusiastic taxi operators explained how Portugal suddenly had become the winter holiday camp. The booking out of the Sol E Mar in mid-February seemed an indication of this.

Portugal's year-round attraction is cheapness and accessibility. With the seaside steadily on an endless decline, the most European currencies go further here than in most countries. Faro, the Algarve's international airport, is just over two hours from most European capitals. But in this winter of heavy snowstorms, operators have drawn vital late bookings from people looking for the least obvious Portuguese products for this time of year: sun and sea.

Seasonal adjustments, however, have left unresolved what is perhaps the most pressing problem for the Portuguese tourist industry as it faces the possibility of expansion. Despite being the "gem" of Portugal in terms of natural beauty and entertainment, the Algarve has an appallingly deficient infrastructure compared with similar European regions.

The brochures boast of superb golf courses, casinos, and water supplies, but a glut of health services. This is the predictable result of an industry which until now has operated largely along speculative lines. The Government has promised not to repeat the mistakes of the past.

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AUSTRIAN PRESIDENT IN CZECHOSLOVAKIA

State visit a breakthrough for Husak

BY PAUL LENDVAI IN PRAGUE

PRESIDENT Rudolf Kirchschlaeger of Austria, arrived here yesterday on a four-day state visit which is seen by diplomatic observers as a breakthrough for Dr. Gustav Husak, the Czechoslovak President and party leader, in his quest for international recognition.

The high-level Austrian delegation, which also includes Dr. Willibald Fahr, the Foreign Minister, and Dr. Josef Stalbacher, the Minister of Trade, will discuss political issues and explore ways of increasing trade and economic co-operation.

After West Germany, Austria is the second most important western trading partner of Czechoslovakia, accounting last year for 14.5 per cent of the country's western trade. The Czechs complain, however, that sales of machinery make up only 4 per cent of its exports to its neighbour which are still dominated by solid fuels, timber, chemicals and metallurgical products as well as textiles, glass, ceramics and beer.



Dr. Rudolf Kirchschlaeger



Dr. Gustav Husak

By contrast, over half the Austrian exports worth \$120m last year, are composed of machinery and transport equipment.

This is the first visit by an Austrian head of state since 1921 and the Czech Press is hailing it as "an extraordinary contribution to the positive develop-

ment" of good neighbourly relations.

President Kirchschlaeger was Austrian ambassador in Prague between 1967-70—at the time of, and after, the Warsaw Pact invasion which suppressed the Czech reform movement. There are many Czech political emigrants in Vienna and the Prague Government has often protested about the reporting of the Austrian mass media.

Vienna television can be seen in wide areas of Czechoslovakia. The Austrian President, who is a practising Catholic, is due today to meet Cardinal Frantisek Tomasek—albeit outside the framework of the official programme and in private. It is also understood that he will ask Dr. Husak for the resolution of a number of so-called humanitarian cases, involving applications for family reunification and exit permits.

He will express Austrian public concern over the imprisonment of the Charter 77 human rights activists, Mr. Jiri Lederer and Dr. Jaroslav Sabata.

Haig warns on Turkish economy

By Metin Munir in Ankara

GENERAL Alexander Haig, the supreme commander of NATO forces in Europe, said here yesterday that Turkey's economic problems could "seriously" affect its relations with the West.

Turkey and the West appear to have reached deadlock on conditions governing Western efforts to rescue the Turkish economy. Western states and banks will provide aid only if Ankara imposes an economic stabilisation programme along lines proposed by the International Monetary Fund.

The Turkish Government believes that the social and political upheaval, which might follow the strictures of such a programme, could endanger democracy in the country.

Gen. Haig, who was in Turkey for a 24-hour stay, during which he met Prime Minister Bulent Ecevit and Turkish generals, said: "My concerns today focus primarily on the economic situation in Turkey and the urgent need for prompt multilateral assistance."

Juliana will stay on Dutch throne

BY CHARLES SATCHELOR IN AMSTERDAM

QUEEN JULIANA expects to remain on the Dutch throne for several more years, the Government said yesterday. The statement came in an effort to staunch the flood of reports that the Queen, who is 69, would step down this year.

In an unprecedented move, Mr. Dries van Agt, the Prime Minister, said he had no reason to assume there would be a new monarch in the near future. "I am thinking more in terms of years than months," Mr. van Agt added.

Speculation has been growing that Queen Juliana would abdicate on April 30—her 70th birthday—or on the 31st anniversary of the abdication of her mother, Queen Wilhelmina, on September 6.

The reports have been fanned by unclear statements from senior politicians and officials, and by work being carried out on a residence for the Princess Consort, Princess Beatrix, in The Hague.

Mr. van Agt's statement

coincided with agreement within the Cabinet on a draft Bill defining membership of the Royal Family. He gave no details of the Bill, which, in establishing who is a member of the Royal Family, sets the boundaries of the Cabinet's responsibilities for their words and deeds.

Queen Juliana still enjoys good health and can continue on the throne for a long time yet, according to Mr. van Agt. Queen Juliana would be succeeded by her daughter, Princess Beatrix, now 41.

Wage bargaining talks in the metal industry broke down after employers refused demands for shorter working hours, union officials said, Reuter reports from The Hague.

Employers are firmly opposed to starting a 35-hour working week now, although they are willing to study the unemployment problems, and agreed to easier settlements on early retirement and holidays, the Socialist/Catholic FNV said.

Pope faces problem after death of cardinal

By Rupert Cornwell in Rome

POPE JOHN PAUL II is expected to decide within the next few days on the successor to Cardinal Jean Villot, as the Vatican's secretary of state. The pontiff will officiate today at the funeral of Cardinal Villot.

The death of the French-born Cardinal Villot last Friday night confronts the Polish-born Pope with a highly sensitive decision. He has to fill the post of what amounts to the Church's "Prime Minister," who has a key role in both the internal policy and bureaucracy of the Vatican and also its external policy.

Although John Paul II made it plain at his accession to the pontificate last October that the reappointment of Cardinal Villot to the job he had carried out under Pope Paul VI and the short-reigning John Paul I was a temporary measure, there is little doubt that the Pontiff would have preferred to wait longer before taking the decision.

Every sign is that the new secretary of state will be an Italian to restore balance in the higher echelons of the Church after the election of the first non-Italian pope to the throne of St. Peter in four and a half centuries.

The favourite for the post is Monsignor Agostino Casaroli, the 65-year-old prelate who has become closely identified with the Vatican's "Ospolitic" (Other names mentioned here include Cardinal Benelli of Florence, as well as Monsignor Giuseppe Cario, the deputy of the late secretary of state).

However there is also some speculation that the Pope may take the opportunity of making a more fundamental reform of the internal structure of the church, possibly by creating separate posts to cover the ecclesiastical and temporal responsibilities of the secretary of state.

Meanwhile the Vatican has received the formal invitation from the Warsaw government for the visit of the Pope to Poland between June 2 and 10. This week also John Paul II is due to publish the first encyclical of his pontificate.

AP adds from the Vatican: Pope John Paul yesterday called for guarantees to make Jerusalem a centre of harmony for Jews, Moslems and Christians.

Opposition to hydroelectric power gains strength in Norway

BY FAY GJETER IN OSLO

WITH AMPLE supplies of cheap hydro electric power from its mountain river systems, and offshore oil production already exceeding its own requirements, Norway is better placed to face the vicissitudes of the world energy market than any other European country, Britain included. The minority Labour Government has even been able to shelve, temporarily, the politically divisive nuclear issue: in its programme for 1978-81 it said that no planning or building of nuclear power plants was envisaged during the period.

While the nuclear controversy is more or less dormant, another energy policy issue is stirring a running, highly emotional debate. Although it might have been expected, this is not connected with offshore oil. Though only one oil field (Ekofisk) has been brought on stream so far, Norway already pumps up more oil than it can use. Exploration and depletion policy is determined by other considerations, such as the need for oil revenues to reduce the foreign debt and the risk to maintain employment offshore and in oil-related

industries. There has been argument about the pace of offshore growth, and there will be more—particularly now that the Government has recommended opening Norway's northern waters to petroleum exploration. For Norway, however, this is a question of industrial and economic policy, not primarily an energy issue.

The energy issue which does bring tempers to the boil concerns another Norwegian resource: water power. For decades, since early this century, harnessing the country's rivers and waterfalls to produce electricity was regarded by almost everyone as a wholly good thing. Hydroelectricity was clean, self-renewing and cheap. It provided the basis for new, energy-intensive industries—light metals, chemicals and ferro alloys.

The first criticisms of hydro power development were voiced in the 1960s. Nature lovers began calling attention to the landscape damage done by major projects—the disappearance of magnificent waterfalls, the ugly piles of stone left in the surroundings of river beds where the water flow had been

appeared into pipelines. Sports fishermen grumbled about the effect on fish stocks in rivers and lakes. Farmers complained at the loss of arable land—by flooding or by dehydration.

With the growth of the ecology movement in the second half of the decade, the anti-hydro lobby gained strength. Demonstrators camped in the

mountains in the summer of 1970, in an attempt to halt a controversial power scheme—the Mardola Falls project.

Though that scheme went ahead, Mardola was a turning point. Since then, state and local power companies have found it increasingly difficult to get political approval for their most ambitious development projects. Some have been declared "conservation worthy" and hydro electric development in them has been banned.

Each major scheme that has been approved has been fought, every inch of the way, by an increasingly well-organised "No" lobby. Leading the fight is the Norwegian Association for the Protection of Nature (NNVF), the umbrella organisation.

State and local power companies have found it increasingly difficult to gain political approval for their most ambitious development projects. Some have been cut down, others temporarily shelved.

The power-intensive industries are the keenest advocates of continued large-scale development. Recently, however, some Norwegian economists have joined the environmentalists in questioning the wisdom of allowing these industries to expand further. The economists say that other power consumers are subsidising the heavy users.

Statistics on future demand for Norway's conservationists.

The power-intensive industries are the keenest advocates of continued large-scale development.

Conservationists say it is a "political" margin—a gimmick to help NVE win support for controversial development schemes. Their forecasts of

future usage are based on the belief that growth can and should be curbed—by raising prices, by preventing further expansion of the power-intensive industries, and by encouraging energy saving.

Last year saw the approval of two projects strongly opposed by environmentalists—the harnessing of the Orkla and Grana rivers, in central Norway, and the Alta river, in the northern county of Finnmark.

Then, to appease its conservationist wing, the Labour government decided not to allow two other controversial projects, affecting river systems on the Hardanger Plateau, the Vieg and Dagali. A public opinion poll showed 51 per cent support for the development ban, and only 23 per cent against it.

None of the above decisions has been accepted by the "losers." The local power company that sought to develop the Dagali river plans an appeal to the Storting (Parliament). Conservationists are threatening "Mardola-type" actions when work starts, this summer, on the schemes that were approved. Meanwhile, no further major

hydro projects are likely to get the green light until a forthcoming white paper on energy policy has been tabled next autumn, which will be debated by the Storting in spring 1980.

The white paper will contain new forecasts of future energy consumption. According to a recent white paper on energy saving, the new figures will take account of the outlook for reduced economic growth over the next few years, and are likely to be lower than previous predictions.

One thing is certain: during the run up to the Storting's energy debate, both sides are going to intensify the fight to win public support for their views. A leading metal-smelting concern, Elkem-Spiger, has already launched a public relations campaign underlining the importance to Norway of the power-intensive industries. The NNVF plans a programme of lectures, seminars and study circles, to stress what the country will lose if large-scale hydro development is allowed to continue. The statistics will keep flying in both directions.

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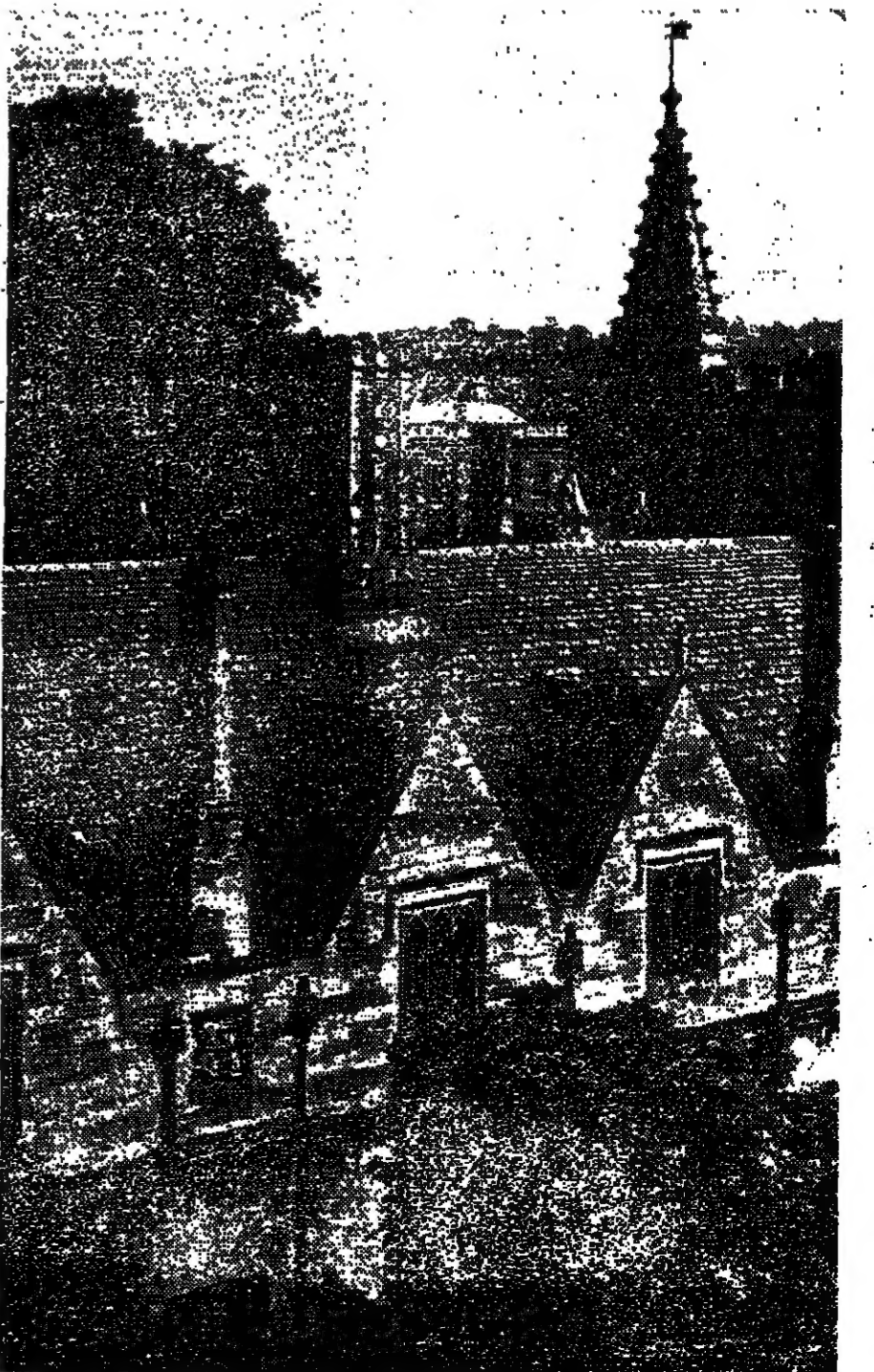
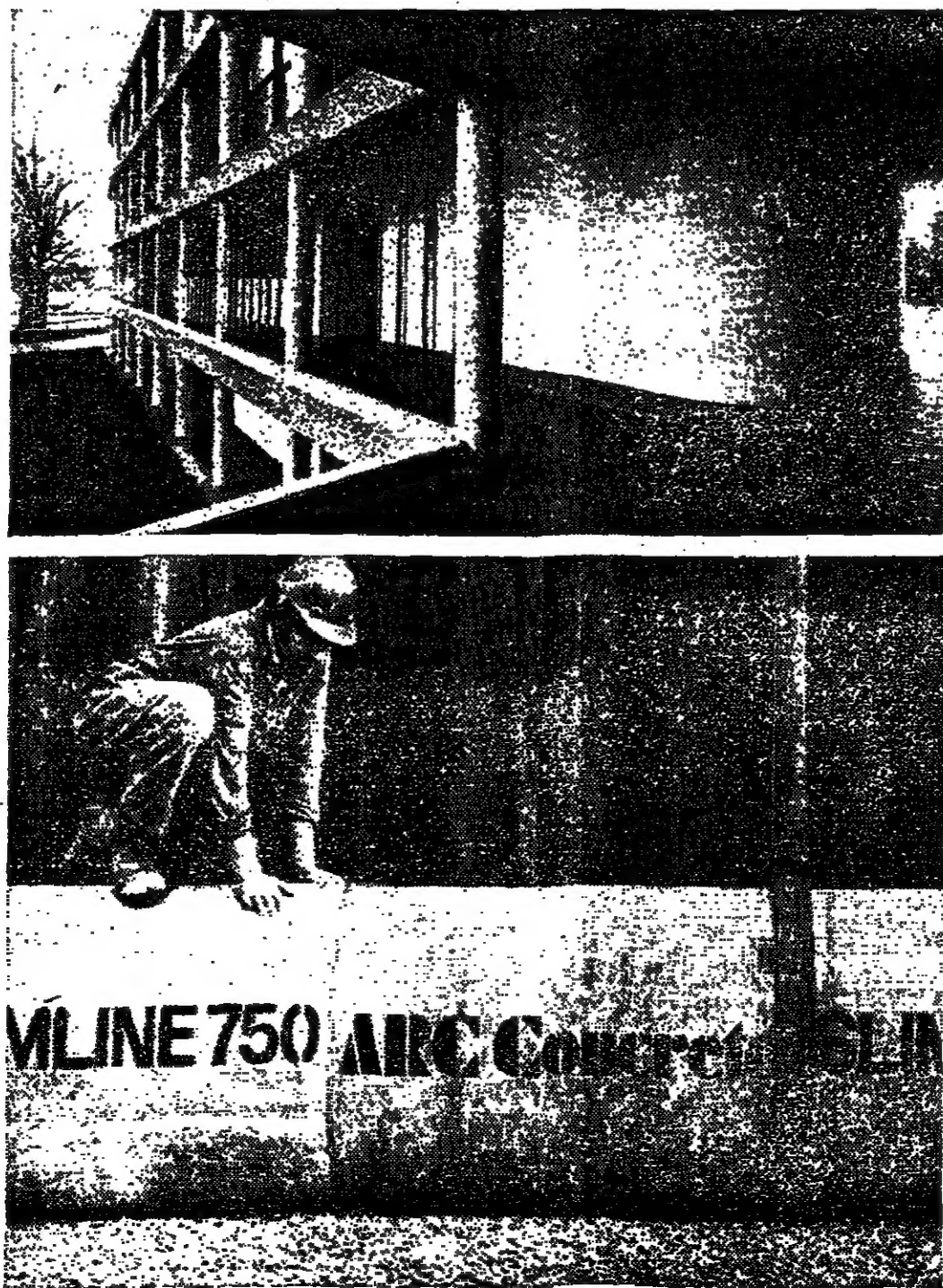
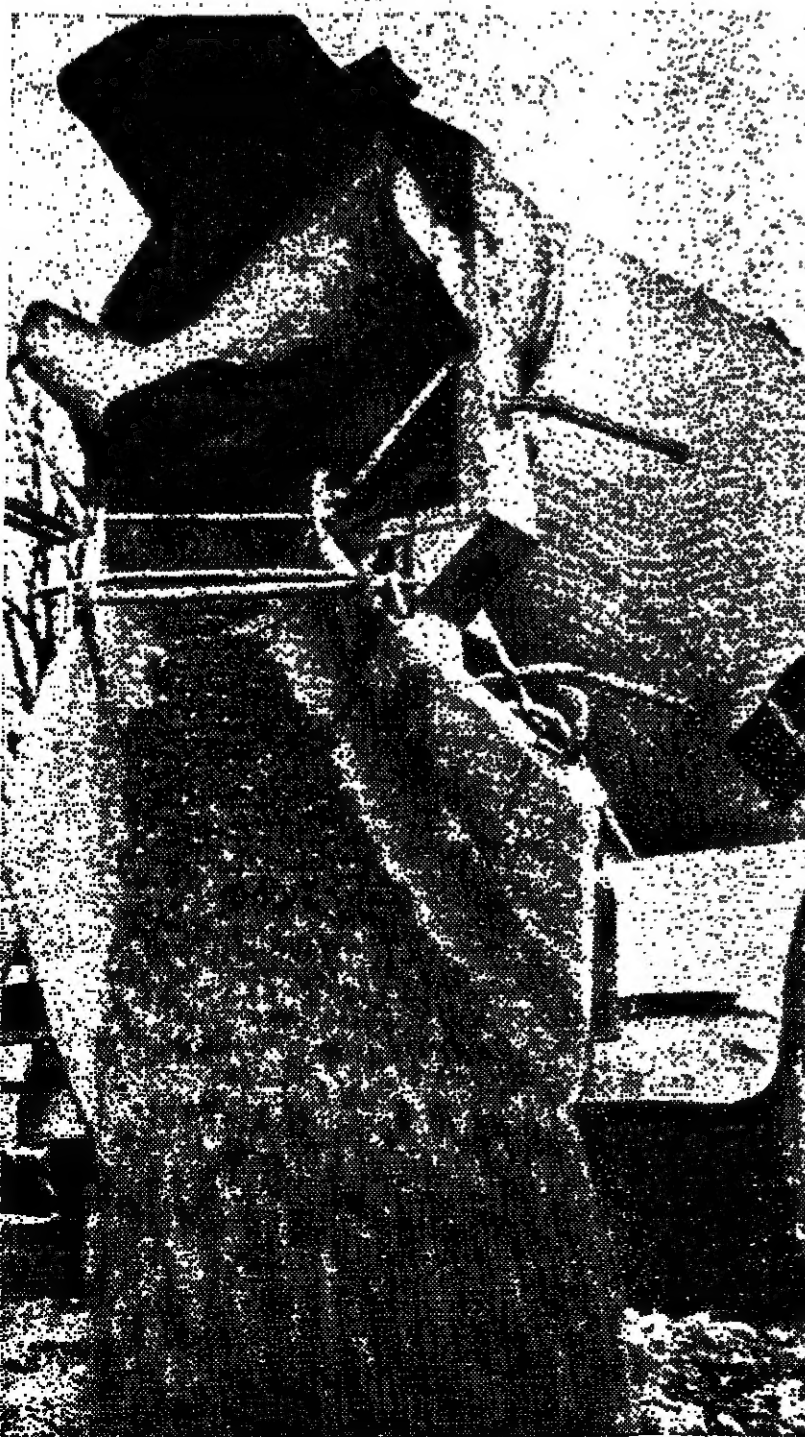
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OVERSEAS NEWS

Kruger acts to blank out part of Rhodie article

BY QUENTIN PEEL IN JOHANNESBURG

THE RAND DAILY MAIL, South Africa's leading opposition newspaper, appeared yesterday with blank spaces on its front page, after a midnight court injunction was granted to Mr. Jimmy Kruger, Minister of Justice.

The gaps occurred in the middle of an article quoting Dr. Eschel Rhodie, former Secretary for Information, alleging complicity of Cabinet members in the clandestine operations of his former Department.

Mr. Kruger's action coincided with growing pressure in Government circles for action against the South African Press—especially the opposition English-language newspapers—to prevent further damaging

disclosures about the secret activities of the former Information Department, and alleged insubordination of Government cash.

The Citizen, the pro-Government newspaper, whose foundation was wholly financed by the secret Information Fund, claimed yesterday that "drastic action" would be considered this week "to call the English-language Press to account."

Despite Mr. Kruger's court action, which only deleted allegations about his own role, the Rand Daily Mail yesterday published further detailed claims by Dr. Rhodie about Cabinet members and senior civil servants who, he said, were

aware of his Department's secret activities before they were exposed by a Government commission of inquiry.

Speaking from an undisclosed hideout in Europe, Dr. Rhodie named Mr. P. W. Botha, the Prime Minister, and General Magnus Malan, the Chief of the Defence Force, as having been involved in more than one secret operation. Information department "secret agents" had on occasion reported direct to Mr. P. W. Botha, Foreign Affairs Minister, he claimed.

The Cabinet meets today for its regular weekly meeting. Speculation is growing that further action to defuse the continuing information scandal will be considered.



Arrie Paulus—unashamed racist

MRS. ARRIE PAULUS, General Secretary of South Africa's all-white Mineworkers' Union, is an unashamed racist. He is also widely regarded as possibly the most effective trade union leader in South Africa, our Johannesburg correspondent writes.

His racism is profound and unshakable. "There is no such thing as a black miner," he declared in a recent interview. "There is only a black labourer."

He identifies four priorities for his union: a five-day working week, higher pay and pension, better sickness compensation, and "the vital one: to keep blacks out of the mining industry."

He is convinced that the white worker is facing a total crisis, as employers press for cheap black labour to be used in skilled "white" jobs. He also believes that his own National Party Government and big business are involved in an unholy alliance to accomplish it.

"It is my role to see that the white worker in South Africa does not get a raw deal," he says, "that the blacks can't do everything in their own countries, and still come and get the cream in white South Africa as well."

Whether Arrie Paulus is leading a true white backlash, or simply orchestrating the death-throes of fundamental white racism, has yet to be seen.

As for his strategy, he will not show his hand until he has to, but he sees it quite dramatically enough. "A good general doesn't tell the other side if he has an atom bomb, he waits for the right time to use it. The white worker has great power, but we won't use that power until we are united."

Iran planning to increase gas prices to Russians

BY ANTHONY McDERMOTT IN TEHRAN

THE NATIONAL Iranian Oil Company (NIOC) is reviewing the prices and volumes of its gas sales. The hoped-for increase in gas prices will affect in particular the Soviet Union, which used to receive associated gas—a by-product of oil production—through the gas trunkline from the oilfields in the south to Astara on the Soviet border in the north.

This project is known as IGAT-1. It is also to receive gas from IGAT-2, a priority project whose construction has been halted for some months as a result of political and economic troubles. The whole project may still be revised.

The decision to review gas sales runs directly counter to a statement last week by Mr. Hassan Nazh, the NIOC chairman, that contracts with the Soviet Union would not be revised.

This review must be seen within the uncertain context of

recent developments in the Iranian hydrocarbon industry. Two in particular apply to the gas industry. First, the National Iranian Gas Company and the National Petrochemical Company have been brought directly under the control of NIOC, whereas previously they had had a degree of autonomy.

Secondly, Mr. Nazh has said that gas exports would resume as oil production levels—now 1.5m barrels/day, of which 700,000 b/d is for domestic consumption—permit.

But at the same time it is clear that considerable uncertainties remain. NIOC and the provisional government of Mr. Mehdi Bazargan have not established at what level oil should be produced in the long term.

And the pace at which the sophisticated gas recovery programme in the southern Khuzestan fields will be developed has not been worked out.

The former will affect the

quantity of gas available for IGAT-1, and therefore sales to the Soviet Union; and the second its parallel and still unfinished counterpart.

The sales contracts for the two gas-lines differ. Under the first, gas is sold against Soviet goods and rubles. The second earns a hard-currency commission of about \$1 per 1m British Thermal Units (BTU).

Iran's gas is sold to the Soviet Union, which exchanges it—at a transshipment rate of about \$1.15 per 1m BTUs—to West Germany, France, Austria and Czechoslovakia.

But the spur for NIOC to set up a study for re-pricing stems from the fact that Iranian gas pumped through IGAT-1 is being sold at the equivalent of 70 cents per 1m BTUs, while natural gas transiting IGAT-2 (admittedly at \$3bn a project costing four times as much) earns only 30 cents per 1m BTUs more.

Pakistan departure seals fate of CENTO

By David Tonge

THE CENTRAL Treaty Organisation is, in effect, no more. Yesterday Pakistan announced that it was withdrawing from the 20-year-old pact linking it with Iran, Turkey, Britain and the U.S. The new regime in Iran had already indicated its decision to quit the pact.

On Sunday, following a three-day visit to Tehran of Mr. Asad Shahi, Pakistan's Foreign Minister, the Iranian Foreign Minister repeated this decision. It claimed that CENTO was no longer effective in protecting the rights and interests of member states.

Founded in August 1955 as the successor to the Baghdad Pact, which had also included Iraq, CENTO sought to put flesh into Foster Dulles's idea of a "southern tier" of states acting as a bulwark against the USSR. But Pakistan became disenchanted when CENTO failed to help it during the Indo-Pakistani wars of 1965 and 1971. Turkey too preferred to put more emphasis on the economic pact linking the three countries, RCD (Regional Co-operation and Development).

Ministers attending its annual meeting in London last April were greeted by Iranian students' leaflets proclaiming "The people's struggle will smash CENTO and all other imperialist treaties." The leaflets denounced CENTO as "aggressive" and being aimed to liquidate "the people's liberation movements of the area."

But even then, it was being asked what purpose the pact was still serving. Founded in the midst of the cold war it had always been a mere common statement of anti-communism rather than a military alliance. Now Iran may have still to chart its new foreign policy, but Turkey remains a member of NATO and the possibility of U.S.-Pakistani defence agreement is mooted.

Meanwhile, Anthony McDermott reports from Tehran that 5,000 people marched through the centre of Tehran yesterday in support of equal rights for women. This demonstration was preceded by a rally attended by about 15,000 people, mainly women, at Tehran University.

The Government, as a result of this campaign, has come under increasing pressure to hold a referendum on a secular rather than a purely Islamic republic, in order to prevent people taking to the street on this issue for the fourth time in five years.

On Sunday night a film of a women's demonstration on the official television news network was deliberately cut short.

Mines strike 'is crumbling'

BY OUR JOHANNESBURG CORRESPONDENT

THE NATIONAL strike by white South African miners is crumbling, with more than 5,000 out of 9,000 strikers back at work, the South African Chamber of Mines claimed yesterday.

But at meetings addressed by Mr. Arrie Paulus, the miners' union leader, the men passed resolutions refusing to return to work until all their benefits were reinstated, and also passed motions of full confidence in Mr. Paulus.

The chamber said that all but three of the country's collieries were back to normal, and members of the Mineworkers' Union (MNU) had disregarded the order for a general strike in

the Evander Goldfield and on the East Rand.

But the strike, which began last week as a sympathy move, is still attracting overwhelming support in South Africa's major gold-mining areas—the Orange Free State and the West Rand—in Rustenburg, the heart of platinum mining.

The MWU, which disputes the chamber's figures as propaganda, has appealed to Mr. P. W. Botha, the Prime Minister, to intervene.

Meetings at Rustenburg, Klerksdorp, and Carletonville yesterday passed resolutions of no confidence in Mr. Fanie Botha, Minister of Mines. The original cause of the stoppage was the promotion of

coloured mineworkers at the O'okiep copper mine in the Northern Cape. But the immediate response of the Chamber of Mines in dismissing all the miners involved has turned the one-day stoppage into a prolonged dispute.

The underlying cause is the miners' fear that the Government will scrap racial job reservation on the mines.

The Chamber said yesterday that it would not talk to the union until all its members had returned to work, which meant signing new contracts and sacrificing their benefits.

Production at most mines has not been seriously affected, but losses could start if the dispute drags on.

White miners become embittered

BY OUR JOHANNESBURG CORRESPONDENT

"A COUPLE of scabs have gone back to work," a striking South African white miner said. "They are worse than terrorists. But I can tell you one thing: they won't get their jobs back."

The miners who walked out last week on their first nationwide stoppage since 1947 are deeply embittered. But their anger is not directed only against their employers. It is aimed above all at the Government they have supported for the past 30 years.

Standing around in the dusty car park of a neighbourhood shopping centre in Westonaria, a gold-mining town west of Johannesburg, a motley assortment of miners, variously dressed in shorts or slacks, open shirts and sandals, were waiting for the latest word from union headquarters.

They were deeply suspicious of two journalists and threatened to assault us for the hostile coverage given to their dispute in South African newspapers. But when they discovered we did not represent the pro-government Afrikaans Press, they agreed to talk.

"The Government is paying the newspapers to turn against the miners," said one man, referring to the stories of miners beating up colleagues returning to work, and of their wives pleading with them to go back.

The man who is the butt of the most bitterness is Mr. Fanie Botha, the Minister of Mines and Labour. "He is the worst Minister of Mines we have ever had," was a popular sentiment.

Mr. Botha was pelted with eggs and tomatoes at a political meeting in the major mining

centre of Carletonville last year. "This thing has taken a very nasty turn," said a retired mine manager in the local town. "When they have finished with this they won't stop until they have got rid of Fanie Botha."

"We are not going to vote Nat here again," a miner insisted, with half a mind on the by-election coming up in the area, to replace the former standard bearer of conservatives in the ruling National Party, Dr. Connie Mulder. "They will be surprised at the result. But the Nationalist Government is down to the ground."

Moreover, they are by no means sure where they will put their votes, if they no longer vote for the National Party. The extreme right-wing Herstigte (purified) Nasionale Party is the most popular choice.

Mideast oil installations may become a target

BY HANAN HAJAZI IN BEIRUT

OIL INSTALLATIONS in the Middle East may again become targets for Palestinian guerrillas if an Israeli-Egyptian treaty is signed, according to informants close to the commando movement.

They say the topic has been under discussion for some time but was put off after Saudi Arabia and other oil-rich Arab states joined the summit in Baghdad last November against the Camp David accords.

Dr. George Habash, leader of the radical Popular Front for the Liberation of Palestine, spoke about oil in a speech here yesterday.

He told a rally that the oil weapon must be used to thwart the Carter mission. "It is our right to use the weapon to defend our cause," he said.

Dr. Habash's group blew up the trans-Arabia pipeline twice about ten years ago, but subsequently discontinued such operations.

Also present at the rally was a representative of Iran's hard-line Marxist Fedayeen-e-Khalq group, who vowed that the Iranian revolution would be a shield for all revolutions in the Middle East.

It is thought here that two U.S.-made missiles, which disappeared from an Iranian airbase in the possession of the Fedayeen-e-Khalq and that they might be passed to Palestinian commandos.

It is recalled that even Mr. Yasser Arafat, the chairman of the Palestine Liberation Organisation, has threatened action against U.S. interests in the

Middle East if a U.S.-engineered treaty between Israel and Egypt is concluded.

Dr. Habash singled out Saudi Arabia for attack in his speech. He recalled that while the Saudi regime declared opposition to the Camp David accords, it boosted its oil production when Iranian output dropped.

Observers noted that through the support they now have from Iran, the guerrillas could have an outpost on the strategic Hormuz Straits, a vital sea lane for oil bound for the West.

Kathy Bishtawi reports from Sharjah: Diplomats and officials in the Gulf area believe that the signing of a separate peace between Egypt and Israel may prove dangerous for the oil states.

Increasingly, Governments and diplomats in the Gulf are saying that Mr. Carter's ambition to seal a treaty may conflict with the U.S. Government's expressed desire of reassuring its allies in the region after the upheaval in Iran. Officials and leaders have said that they do not wish to see the Gulf developing into an area of super-power confrontation.

Officials note that the aircraft carrier Constellation and the accompanying guided-missile destroyer, and guided-missile cruiser are due to enter the Gulf region soon. "The Americans are mad to use gunboat diplomacy at this time," one official said. "We do not want super-power interference here. Super-power interference has already prolonged the conflict in Yemen."

Vietnamese harass withdrawal

BY JOHN HOFFMANN IN PEKING

VIETNAMESE TROOPS have attacked Chinese forces withdrawing towards the border, according to reports published in Peking yesterday.

The reports coincide with Vietnamese allegations that the Chinese forces are leaving behind them "scorched earth" and looted villages.

China says it dealt powerful counter-blows to Vietnamese units which harassed Chinese forces on their way home after the month-long incursion into Vietnam's northern provinces.

Since Friday Vietnamese troops in platoon, company or battalion strength have made repeated attacks on units heading for border passes to

Guangxi province, the New China News Agency says. "Chinese troops struck back heroically and inflicted heavy casualties."

In Peking, during the week-end Mr. Deng Xiaoping, the senior Chinese Vice-Premier, referred to the four-week war as China's "counter-attack in self-defence."

In another speech, Mr. Deng said that the Chinese withdrawal would be completed within a few days. Chinese troops are being welcomed as heroes in the border towns of Guangxi and Yunnan provinces. Buildings are hung with bunting and crowds cheer and beat drums and gongs as the soldiers cross the border.

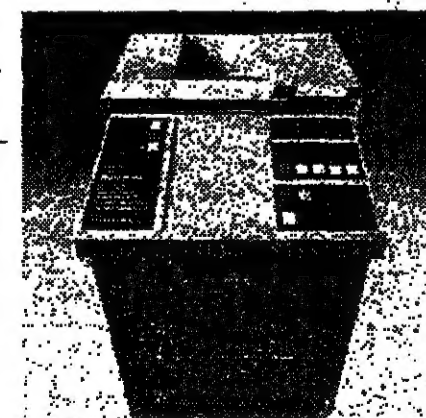
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lines between London and Frankfurt for a couple of hours every night.

The German presses roll at 10 p.m. and distribution moves out all over Europe. At around 6.35 this morning, local time, a Lufthansa 747 jet landed at New York's Kennedy Airport, so that the FT joins New York's select band of morning newspapers.

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AMERICAN NEWS

Crisis in Iran causes 6% rise in cost of oil

BY DAVID LASCELLES IN NEW YORK

Price disruptions caused by the Iranian crisis have added an average 75 cents, or 6 per cent, to the cost of a barrel of oil since January. Dr. James Schlesinger, the U.S. Energy Secretary, told the Senate Energy Committee yesterday. But he added that there had been a "slight softening" in prices recently.

Mr. Schlesinger said his calculation had been made on the basis of the three-tier market for OPEC oil that had developed in recent weeks. The largest amount of oil, about 55 per cent of the total, he said, was still being sold on the basis of the official OPEC price, set last December, of \$13.34 per barrel. Another 40 per cent of OPEC exports is being sold at premium prices averaging \$14.61 per barrel, \$1.27 more than the official price. Premium crude is being shipped mainly to Kuwait, Abu Dhabi and Libya, Dr. Schlesinger said. The remaining 5 per cent or less is being sold on the spot

market where prices are upward of \$15 per barrel.

Dr. Schlesinger said the resumption of oil exports from Iran was encouraging, but there were still major uncertainties, including what price Iran would settle for on the long-term supply contracts it is now negotiating.

Dr. Schlesinger also said uncertainties included Iran's ultimate export level, whether oil-field workers will obey the new Government, and the security of the oilfields themselves. Another uncertainty was the extent to which other producers who had raised output to compensate for the Iranian decline, would reduce production once Iranian oil starts flowing properly again.

The Iranian cutback had begun to make itself felt in the U.S., he added. Stocks are now 85m barrels below estimated normal levels for this time of year, particularly in distillates. Dr. Schlesinger has allowed himself until April 1 to decide what action, if any, is necessary to deal with oil shortages.

Fed moves to calm money market fears

BY STEWART FLEMING IN NEW YORK

FEARS that the Federal Reserve Board might be tightening its monetary policy were dispelled to some extent early yesterday when the central bank added bank reserves to its financial system with federal funds trading at 10 1/2 per cent.

There were signs that the money markets are beginning to anticipate some rise in short-term interest rates. The First National Bank of Chicago, the 10th largest U.S. commercial bank, announced yesterday that it was raising its prime rate from 11 1/2 per cent to 12 1/2 per cent. Several major U.S. banks

at 11 1/2 per cent established in the year, but others fell back and have been holding at 11 1/2 per cent for several weeks.

The First Chicago move could indicate that the split in the prime rate between the banks is about to end. At this stage, however, Friday's fears that the Federal Reserve might be moving rates higher through its monetary policy have been removed.

The Fed added reserves soon after the market opened yesterday indicating that it was still sticking to its average weekly federal funds target at around 10 per cent, the level which has prevailed throughout the year.

HERRERA PROMISES AUSTERITY PROGRAMME

Venezuelan President takes office

BY KIM FUAD IN CARACAS

SR. LUIS HERRERA CAMPINS, a 53-year-old Christian Democrat who has promised to govern Venezuela with austerity, took office yesterday, succeeding the free-spending administration of Sr. Carlos Andres Perez.

Sr. Perez's eventual five-year term (1974-79), during which he nationalised the foreign-owned oil and iron ore industries and devoted a large share of annual average government spending of \$10,000m to expanding basic industry, will prove a hard act to follow.

Sr. Herrera, who defeated the candidate of Sr. Perez's Accion Democratica Party by over 170,000 votes in the December election, has complained that he has inherited a difficult economic situation. Oil income, which finances two-thirds of the Venezuelan budget, has been declining, the Perez administration pushed the public debt to \$10,700m and in

1978 imports outweighed exports by \$11,800m to \$8,900m.

One the positive side, the Perez administration nationalised Latin America's largest oil industry with no major hitches and recent price moves have increased estimated 1979 oil revenues of \$5,400m by close to \$1,700m. The economy showed a real annual average growth of 7 per cent, providing full employment for the 4m workforce, while basic public services were expanded and inflation (7.3 per cent in 1978) kept in check.

Sr. Herrera, however, is concerned over the deterioration in the balance of payments and the growth in public debt, which is expected to cost the nation some \$5,500m in foreign debt servicing alone between 1981 and 1983.

Moreover, Sr. Herrera notes that Government spending, with about 70 per cent going on current expenditures, has been

increasingly less productive. He points to a previous ratio of one unit of spending for 3.5 units of gross domestic product under the administration of President Rafael Calderon (1969-74) and a 1:1.5 ratio for the Perez Government.

Sr. Herrera is expected slowly to remove controls on prices of locally produced goods and services — which businessmen insist is vital if productivity is to be increased — impose import controls, renege foreign debt, rationalise spiralling domestic energy consumption, increase public services prices, and review national development projects which involve expanding iron, aluminium and hydro-electric output.

While Sr. Perez characterised his administration as "audacious", the new Government is taking a cautious line and no major short-term changes are expected. The oil

industry, now working at 94 per cent of its 2.4m barrels a day (b/d) capacity, will see some changes in faces, but the 10-year, \$20,000m expansion programme will continue.

The aim of the programme is to build up capacity to 2.1m b/d and increase current proven reserves of 18,000m barrels through offshore exploration and development of the non-conventional heavy oil in the Orinoco oil belt.

In his lengthy government programme, Sr. Herrera studiously avoided any mention of his administration's views on foreign investment. His aides, however, indicate that Venezuela will probably continue to follow the guidelines laid down in the Andes Pact countries (Bolivia, Colombia, Ecuador, Peru and Venezuela), which put sharp limits on the amount and area of foreign capital.



Sr. Luis Herrera Campins

Bomb recipe ban 'a threat to Press freedom'

By David Buchan in Washington

THE U.S. Justice Department will later this week ask a Wisconsin court to put a permanent injunction on the proposed publication in the Progressive magazine of an article on how a hydrogen bomb works, on the grounds that its appearance would undermine the Carter Administration's efforts to stem the proliferation of nuclear weapons.

A Milwaukee Judge last Friday granted the Government a temporary restraining order on the article. The case has the makings of another classic test of the freedom of the U.S. Press, eight years after the Supreme Court ruled that the Nixon Administration could not stop publication of the Pentagon Papers. But the 1971 ruling was not considered definitive because the court did not rule out all such bans.

The editor of the Progressive, known for its anti-nuclear position, has claimed it is nonsense for the Justice Department to argue that the article constitutes a hydrogen bomb recipe which any crank or terrorist could make use of. Mr. Erwin Knoll says that the article discusses the issue of secrecy in the U.S. nuclear weapons programme.

But Mr. Jeremy Stone, director of the Federation of American Scientists, a liberal lobbying group, has appealed to the Progressive to print the article. The FAS argues that its publication could advance the spread of hydrogen bombs, and that the Progressive is not serving the interests of a free Press by provoking a court case that could end in a permanent injunction.

Panama forms political party

By William Chislett

THE GOVERNMENT of Panama, which is maintained in power by the National Guard, has officially launched its own party and warned that it will crack down on "extremist" groups.

Congressional elections will be held in 1980 and the PRD is leading the way in the registration of parties, which need 30,000 members before they can take part in elections.

Rockware - leading the way home with Widemouth

For the first time since the advent of the ring-pull can over ten years ago, a major packaging innovation for beers and soft drinks is now in retail distribution.



The Widemouth bottle from Rockware Glass is being adopted increasingly by both brewers and soft drinks manufacturers as a strong alternative to the can.

Rockware developed this container in the knowledge that research confirmed glass as being traditionally preferred by beer drinkers. Also confident that soft drinks sales could only benefit from

being packed in a Widemouth convenience container.

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Rockware's new Widemouth has already had significant impact on the packaging market. The beer bottle, for example, has collected impressive packaging awards against severe competition.

Widemouth is available in a variety of sizes for both beers and soft drinks. For further information, comprehensive technical advice and installation expertise, call Rockware — our revolution in packaging for the 1980's is here.

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WORLD TRADE NEWS

E. Germany 'determined' to boost exports to West

BY LESLIE COLITT IN LEIPZIG

EAST GERMANY is determined to increase exports to the West to reduce its growing debt to OECD countries which is now estimated to have reached over DM13bn (£3.5bn). Cumulative trade indebtedness to West Germany alone has risen to DM 3.7bn (£1bn) after a record gap last year of DM 620m between East German exports to West Germany and imports.

Herr Erich Honecker, president and Communist Party leader of East Germany, has expressed his country's desire to

expand trade with West Germany this year after the low one per cent growth rate of last year when intra-German trade reached DM5.8bn. Herr Honecker, meeting the chairman of the board of Fried Krupp, Herr Heinz Petry, at Krupp's stand at the East-West trade fair here, said he regretted the "stagnation" in intra-German trade and that it should increase "to the benefit of both sides."

The East German leader showed interest in expanding

joint projects with Krupp in third countries such as Krupp's venture with the East German foreign trade organisation Unitechna, acting as consortium head in Ethiopia, where they are building a cotton spinning mill to be completed early next year. Krupp, which is completing an electro-steel mill and foundry worth DM450m in East Germany is interested in joint projects elsewhere but finds the slowness of East German economic bureaucracy a hindrance.

Nordic report confirms subsidies distorting trade

BY HILARY BARNES IN COPENHAGEN

FREE TRADE between the Nordic countries is being undermined by state subsidies to industry and other technical trade restrictions, according to a confidential Nordic Council report cited in the Copenhagen newspaper Boersen, yesterday.

The report said that subsidy policies were being used as an instrument of protection and the consequences of the international economic crisis to each other. But despite the general tenor of the report it concludes that it "can neither prove nor disprove the supposition that the subsidies have had a distorting effect on trade."

The Nordic Council is an inter-Parliamentary body for Nordic co-operation. The sub-

sidies report was written by the Nordic Ministerial Council at the request of the Parliamentarians but at last month's Nordic Council meeting the Parliamentarians were told the report would not be published because of opposition from the Swedish, Norwegian and Finnish Governments. Danish Conservative leader Mr. Poul Schlutter has since campaigned for the release of the report.

Footwear, clothing and textiles, pulp and paper, chip board and ship building are among the industries which have been most extensively subsidised.

The report, however, only covers the period from 1970 to 1978, and, as the newspaper noted, many of the most ambitious subsidy schemes came into force after 1978.

Norway plans to promote exports

BY FAY GJETER IN OSLO

NORWAY'S Government has asked the Storting (Parliament) to approve an allocation of Nkr 25m (£2.5m) to be spent on measures to promote Norwegian exports over the longer term.

In its proposal the Government says it expects that finished goods and technically advanced products will in

future account for a growing share of Norway's total exports and increasing effort should be devoted to marketing.

Some of the money would finance an information campaign to persuade Norwegian companies to devote more attention to export marketing. Support would be given to trading courses in selling on foreign markets.

UK companies less hopeful on sales in West Germany

BY GUY HAWTIN IN FRANKFURT

ITALY HAS replaced France as Britain's main foreign competitor in the West German consumer goods market, while the United States is the top competitor in the sale of capital goods.

These findings are included in the survey of the performance of British goods in the Federal Republic, produced by the British-German Trade Council in Cologne.

According to the council, the sample of 88 companies operating in the market indicated that other British companies were the third most important source of competition in both sectors. Vying for fourth place were France, Japan and the Netherlands.

Morale among British companies in the market seems to have slipped a little since last year. The proportion of respondents reporting lower sales and worsening competitive positions—though still well in the minority—has increased.

The report says that 12 per cent of the respondents reported much improved sales in 1978, while 35 per cent reported that sales were better. This compares with 20 per cent and 29 per cent respectively in 1977.

Some 44 per cent, compared with 48 per cent the previous year, said that performance remained unchanged—and 38 per cent assessed it as satisfactory. Nine per cent against

1977's 3 per cent, said sales were worse or much worse.

Some 54 per cent reported an improvement in orders against 61 per cent in 1977, and 36 per cent, compared with 28 per cent, reported them unchanged. Ten per cent reported weak bookings compared with 11 per cent the previous year.

An improvement in competitive position was reported by 31 per cent to the respondents compared with 35 per cent in 1977. Forty-eight per cent, against 59 per cent reported the situation unchanged, but 21 per cent, compared with 1977's 16

per cent, said that their competitive position had weakened.

The council comments that in the previous survey, about half the respondents in the investment goods sector reported continued improvement in sales and an even larger proportion increased new orders. The proportion of those reporting an improved competitive position, however, doubled.

In the consumer goods field, two-fifths of the respondents reported improvements compared with three-fifths in 1977. Fewer felt they competed on equal terms.

Kraftwerk's Saudi hopes

FRANKFURT —

Kraftwerk Union (KWU) the Siemens subsidiary hopes to receive the contract for building an oil fired power station and desalination plant on the Gulf in Al Khobar in Saudi Arabia according to a company spokesman. But he said no value can be given since it is not clear what infrastructure has to be built near the power station. However, it is estimated within the industry that the contract is worth several billion marks.

The spokesman said that talks with Saudi Arabia on the oil fired five block power station with 100 megawatts per block and on the 220m litre per day

desalination plant will be concluded within about two weeks.

He added that work is still halted at Kraftwerk's train construction site at Bunkh because customs officials are still holding back materials urgently needed to continue the two power stations. He said KWU's work will restart soon in Bunkh. It will then return employees to Iran and build up its expatriate workforce to the original 3,500 with about 6,000 Iranians.

Kloetner has been awarded a contract to supply 88,000 tons of welded steel pipe to the Soviet Union, reported to be worth about DM 90m (£24m). Agencies.

French-Romanian pact signed

BY DAVID WHITE IN PARIS

PRESIDENT Valéry Giscard d'Estaing returned from Bucharest at the weekend with a package of co-operation agreements which France hopes will place it ahead of West Germany as Romania's chief western trading partner.

Romania is to follow other Warsaw Pact countries in adopting the French Secam colour television system in preference to its West German rival PAL. The agreement also envisages construction by France of 60 TV transmitters and local production of television sets both for the Romanian market and for export.

The other main items in the agreements, which back up the two countries' pledge to double their 1975 level of trade by 1980, reinforce areas of co-operation which have already proved successful—namely cars, helicopters and computers.

The two sides confirmed an accord reached last year with Renault to expand Romanian production of Renault models, so far limited to a version of the R12 and a light van. The Romanian operation is to build 2,000 R20 saloons a year, and the framework agreement covers annual production by 1980 of 90,000 R18 cars and

35,000 pick-up versions of the same model. Romania wants to extend its collaboration to diesel engines and heavy vehicles.

Citroen signed an agreement two years ago to build a factory to make 130,000 cars a year. The plant is due to reach this capacity in 1981.

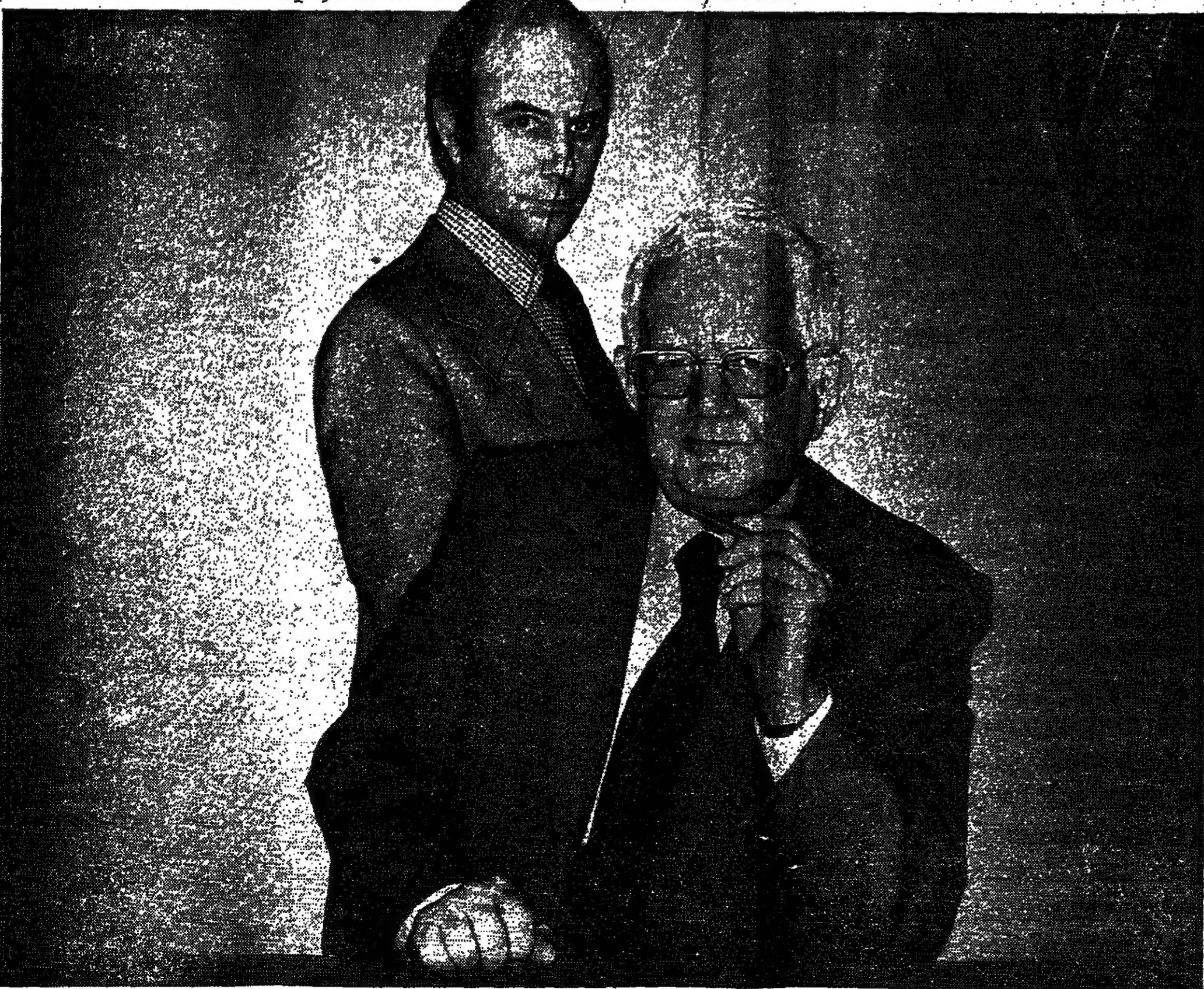
Under the latest agreement, the two countries are to study the use of computer technology in the Citroen plant. Other openings for new co-operation in electronics, which already covers production of Cii-Honeywell-Bull's Iris 50 computer, include calculators, components, telephone exchanges and medical equipment.

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Mr E.W. Hutchinson (seated) and Mr E.S. Roberts are Directors of Interlates Limited, of Skelmersdale, exporters of crop nutrients to Europe, Australasia and the Middle East.



ECGD insures from date of contract or despatch of goods. Cover is available for contracts in sterling or other approved currencies for: Continuous sales worldwide of raw and processed materials, consumer goods and production-line engineering goods. Sales to and by overseas subsidiaries of UK firms. Sales through UK confirming houses and by UK merchants. Single large sales of capital equipment, ships and aircraft. Constructional works contracts. Services. ECGD also makes available: Guarantees to banks providing export finance, often at favourable rates of interest, including project loans and lines of credit to overseas borrowers. Guarantees for performance bonds. Consortium contingency insurance. Cost escalation cover. Cover for investments overseas. For full details call at your local ECGD office.

To make an appointment or for information contact the Information Officer, Export Credits Guarantee Department—quoting reference FTU—at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices; or John Swales, Information Section, ECGD, Aldermanbury House, London EC2A 4EL. (Tel: 01-406 6699. Extn. 258).

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INSURANCE FOR BRITISH EXPORTERS.

US may offer finance to secure Egypt 'phone deal

BY JOHN LLOYD

THE U.S. Government is now actively considering the financing of the massive Egyptian telecommunications contract, variously estimated to be worth between \$1.5 and \$3bn over a five-year period.

A U.S. consortium made up of Western Electric—the manufacturing arm of the Bell network—General Telephone and Electronics and Continental Telephone had been considered virtually certain to obtain the contract last year when its bid followed the completion of a specification for the project drawn up by Continental.

However, the U.S. Government, which together with Saudi Arabia was to have provided much of the funding, drew back from risking such a large amount. Since then, a number of other telecommunications companies have been encouraged to make their interest in the project known to the Egyptians.

It now appears that the U.S. may be prepared to put up the funds in order to avoid losing such a large contract in a strategically important area. Mr. Robert J. Gressens, president of General Telephone's communications products group, said that "the Government now thinks that funding on its part is necessary."

Mr. Gressens said that the funding should come from three sources—U.S. concessionary funds, similar funding from the OPEC countries, especially Saudi Arabia and some funding from Aret, the Egyptian telecommunications authority. He said that the consortium would not fund the network, though the companies would invest in plant to manufacture electronic exchanges in Egypt.

Earlier fears on Egypt's part

that the U.S. consortium would exercise too much influence over the country's communications systems had now been calmed, Mr. Gressens said. "We have assured the Egyptians that we do not want to be part of Aret."

Dr. Mohammed El-Said, director of Egypt's Technical Research Centre, said last month that a number of companies had now made preliminary bids for the contract, though it had not yet gone out to international tender. The companies included International Telephone and Telegraph (ITT), a Japanese consortium led by Nippon Electric and Hitachi, Siemens of West Germany, Ericsson of Sweden, Philips of Holland and CFT-Alcatel and Thomson CSF of France. Dr. El-Said told an international telecommunications conference in Dallas, Texas, that "finance remains the crucial issue."

At the same time, Mr. Gary Lasher, president of Continental's international division, launched a strong attack on the U.S.'s "unhelpful" policies towards exporters to Middle East markets. "The U.S. has the largest overseas aid programme in the world—but there is no co-ordination between that programme and the Department of Commerce. Unless we are supported as the industries of Japan, Germany, France and others are supported, we shall lose out," he warned.

However, the U.S. Government is to put up \$40m of aid to pay for the immediate rehabilitation of Cairo's telecommunications system. Three U.S. consultants are bidding for the contract—D. Little, in association with Continental, Unitel and Telecoms.

Swedes and Finns raise pulp prices

By William Dufforce in Stockholm

THE SWEDISH and Finnish pulp manufacturers are raising their prices of the market pulp they deliver to European customers by some \$25 a tonne with immediate effect. The increase has been prompted by a similar increase in the prices quoted by U.S. producers.

Svenska Cellulosa (SCA), Sweden's largest pulp and paper company, has confirmed the increase, and other Swedish manufacturers have indicated that they will follow suit. Finland, the Finnish pulp marketing organisation, had announced its increase earlier last week.

The key price, that for bleached softwood sulphate pulp, rises by \$25 to \$435 a tonne. SCA has posted a \$20 increase for birchwood pulp to \$410 a tonne.

A company spokesman said demand for pulp was strong and the market was expected to bear the increase. It should enable the Nordic producers to make a profit on their market pulp in 1979 after two years in which the Swedish mills alone are estimated to have made losses of around SKr 2bn.

Swedish manufacturers stressed, however, that although the dollar prices had reached a new peak, the steady fall in the dollar exchange rate meant that in local currencies their revenues per tonne was no higher than that prevailing in the autumn of 1977.

In the first half of 1978 the bleached sulphate price collapsed to \$320-330 a tonne as the mills unloaded the heavy stocks they had built up in an effort to maintain prices. Even the third quarter of last year the price has been raised in four stages to today's new level.

Italians to build Soviet tyre plants

THE TURIN-BASED Fiat Industrial Group has won a contract worth L120bn (\$140m) from the Soviet Union in a turnkey contract to build four modern, highly-automated tyre manufacturing plants in the USSR. Rupert Corwell writes from Rome.

The deal was concluded during Soviet-Italian trade talks in Moscow. It will be financed out of existing lines of credit between the Soviet Union and various European countries in which subsidiaries of the Fiat group, which are to be involved in the contract, currently operate.

Algerian plant. Kawasaki Heavy Industries said it and Marubeni Corporation had jointly received a \$50bn (£126m) order from Algeria's state-run STE Nationalise des Matériaux de Construction for a cement plant. Reuters reports. The plant, with an annual capacity of about 1m tonnes, will be built at Tebessa, about 800 km east of Algiers, by 1982.

Peking loan talks

BankAmerica's president, Mr. A. W. Clausen, is in Peking holding talks this week on a major financing deal with China, banking sources said in Tokyo, according to Reuters. If the deal goes ahead as planned, it will be announced on March 14.

UK mission

A London Chamber of Commerce and Industry mission is to leave London on March 22 for a 19-day tour of China's major industrial cities.

CBI claims winter strikes delayed economic upturn

By ARTHUR SMITH, MIDLANDS CORRESPONDENT

RECENT STRIKES have severely disrupted business activity and delayed economic recovery in the West Midlands, according to a survey conducted by the regional office of the Confederation of British Industry.

Companies reported a "significant" setback in home demand, continuing pressure on exports, and a fall in the use of production capacity. Blame for the deterioration is put on disruption caused by the strikes of road haulage and petrol tanker drivers.

Mr. Steve Rankin, CBI regional director, said last night that the upturn in activity, of which there were signs towards the end of last year, would now be delayed. He expressed concern that the after-effects of the disputes, particularly shortages of raw materials, might continue for some months.

The survey showed that export orders were proving difficult, partly because of the

strength of sterling and increasing competition in world markets.

Company liquidity continued to deteriorate and management reported growing pressure on wages. There are fears that some workers who have already settled within the 5 per cent Government guidelines might now seek to re-open negotiations

in view of subsequent settlements.

The one bright spot in the survey was the indication of a slight increase in confidence and in planned investment.

However, the CBI pointed out that this improvement was from a very low level.

West Midlands Survey, Pages 19-26

New company to handle Crown House overseas

FINANCIAL TIMES REPORTER

THE CROWN HOUSE group of London announced yesterday that it is to form a new subsidiary company to handle all its overseas engineering activities.

The new company, called Crown House Engineering International, will take effect from April 1.

At present Crown House Engineering handles all of Crown House's activity in electrical and mechanical services contracting within the construction industry. After reorganisation it will continue responsibility for all contracts in the UK.

Both companies will remain wholly-owned subsidiaries of Crown House, but the international company will own the subsidiary and associated companies operating outside the UK.

The worldwide turnover of the engineering company is about £75m, of which about 20 per cent is overseas.

Job losses of 45,000 'caused by road cuts'

By LYNTON MCLEIN

ALMOST a third of the jobs in the private sector of road building have been lost over the past five years through Government cuts in the road programme, the British Road Federation said yesterday.

The cuts cost 45,000 jobs in the construction industry. More than 37,000 were in the private sector and the balance were local authority jobs.

The federation said that 10,000 jobs had been lost as a direct result of Government underspending on the road programme. The Government had failed to spend an annual average of £100m of its road budget for the past three years.

A survey showed that in the five years to 1978 road spending fell by 30 per cent and employment by 21 per cent. Productivity in the road building industry had fallen over the period.

More plastics

CHEMIDUS WAVIN is to spend £5m in the next three years on expanding its plastics factory at Brandon, Co. Durham, creating 75 jobs.

Mining contracting company sold for £1m

By JOHN LLOYD

THE ARC Construction division of Consolidated Goldfields' Amey Roadstone subsidiary has bought the Barnsley-based open cast mining contracting company of H. J. Rorke for £1m.

The acquisition marks Amey's first move into open cast mining in the UK, although Consolidated has open cast sites in South Africa, Australia and the U.S.

Mr. Neil Ashley, the managing director of ARC, said yesterday that the growth in open cast mining projected by the National Coal Board — from 13.5m tonnes last year to 15m tonnes in 1982-83 — meant that the sector would be increasingly profitable.

H. J. Rorke, which showed a turnover last year of £2.5m, is a family company founded in 1950. It employs 130 workers, and operates two sites, one in Durham and one in North Wales.

Mr. Tony Riall, who will remain as Rorke's managing director, said the company required more resources than it possessed to manage the increasingly large projects which the Coal Board was offering to contractors.

The sites are getting bigger and the time taken on the contracts is getting shorter. You

need larger and larger equipment, and we haven't got it at the moment."

Mr. Ashley said that Amey's earthmoving equipment and civil engineering skills could be used in open cast mining, and that Rorke would be "used as a base for further expansion."

Amey's diversification into open cast mining in the UK is the reverse of a process which is gaining momentum.

A number of major UK open cast mining contractors—Taylor Woodrow, Murphy, Shand and Crouch—have either recently

acquired or are about to acquire substantial sites in the U.S.

Taylor Woodrow has just begun coaling on a large, 1m tonne-a-year site in Kentucky, and expects to announce another acquisition shortly; while Crouch has recently bought a 20,000 acre site in Pennsylvania.

Murphy, a subsidiary of British Electric Traction, is expected to make an announcement shortly on a series of purchases, possibly in association with another UK civil engineering company.

Accidents 'not caused by size of concerns'

By David Fishlock, Science Editor

INCREASING SIZE or complexity of engineering projects is not a direct cause of failures, an engineer has concluded after analysing 13 major industrial accidents or failures in Britain.

Professor S. H. Wearne, professor of technological management at the University of Bradford, told the Institution of Mechanical Engineers in London last night that not one of the 13 accidents had been caused by a previously unknown physical phenomenon occurring without prior warning.

The 13 accidents included the cyclohexane explosion of a chemical plant at Flixborough in 1974, the fire at the Summerland leisure centre in the Isle of Man in 1978, the methane explosion at Houghton Main colliery in 1975, and the Aberfan coal tip slippage in 1966.

Professor Wearne had recommendations to offer for managers, engineers and institutions involved in major engineering projects. For managers, he concluded that any divisions of responsibilities within an organisation or between organisations was a potential source of errors or of failures to take action. All activities on a project should be co-ordinated by one person, he said.

'Fund public sector pensions in advance'

By EAMONN FINGLETON

PUBLIC SECTOR pensions should be funded in advance rather than on a "pay-as-you-go" basis out of current revenue, the Consultative Committee on Accountancy Bodies urged yesterday.

In evidence to Sir Harold Wilson's committee on the functioning of the City, the consultative committee argued against the Government Actuary's view

that, as Government accounts operate mostly on a cash basis, a pay-as-you-go approach is appropriate for the public sector.

The consultative committee said that funding in advance would provide more security for workers, show true labour costs and impose desirable financial discipline on public bodies.

Ministry asked to build £45m Peterborough port

THE GOVERNMENT has been asked to spend £45m on establishing an inland port at Peterborough.

The city council is approaching the Department of the Environment for a detailed study of the project, despite a report from the British Waterways Board saying that although an inland port was feasible on engineering grounds, there was no prospect of an acceptable commercial rate of return on the large investment involved.

The city is 20 miles inland, along the River Nene, and the possibility of attracting sea-borne trade is being investigated because of the Government's overspill expansion programme, which will push the population up to 180,000 by 1985.

The choice of Peterborough has been made in preference to expanding existing dock facilities at Wisbech, 12 miles downstream, to serve the city. This would also have meant improvements on the main A58 to speed up road transport between the two places.

Bromley 'in default' on comprehensives

By Michael Dixon, Education Correspondent

THE GOVERNMENT yesterday acted to prevent Bromley, in Kent, from joining other Conservative-controlled education authorities which have managed to delay the start of fully comprehensive schooling until after a General Election.

Mrs. Shirley Williams, Secretary for Education and Science, declared Bromley in default of its statutory duty because it has published notices that its four remaining grammar schools will cease selecting pupils by ability in September 1980, instead of this autumn as Mrs. Williams had directed.

British Steel buys plants

FINANCIAL TIMES REPORTER

The British Steel Corporation has bought four factory units next to the closed East Moors steelworks at Cardiff in a bid to attract employment to the area.

The purchase is the first to be concluded in Cardiff by BSC (Industry), the corporation subsidiary charged with attracting new jobs to areas hit by steel closures, though it has bought similar units in Ebbw Vale.

East Moors closed last April, as part of the corporation's cost-cutting programme, with the overnight loss of some 3,000 jobs.

Jobs plea to Welsh employers

SOME 1,100 of last year's Welsh school-leavers—more than half of them girls—were still registered as unemployed in February, Mr. Alec Jones, Under-secretary for Wales, said in Cardiff yesterday.

Opening a Welsh Equal Opportunities Commission office, Mr. Jones appealed to employers to ensure all of them were offered jobs or places in the youth opportunities programme before 1979.

Continental buyers lead demand for ceramics

A PAIR of Sevres pattern-oviform vases sold for £10,000, plus the 10.5 per cent buyer's premium, at Christie's yesterday to Epoque, the Belgian dealers, in a ceramics auction which totalled £129,447. A Continental collector gave £5,500 for a pair of vases decorated by Vernet and £4,000 for a massive single

number of antique firearms, sold at auction recently. This is to enable museums and other public collections in the UK time to raise the money to save them. The Reviewing Committee on the Export of Works of Art made the recommendation to Lord Donaldson, Minister for the Arts, on the advice of the Master of the Armouries at the Tower of London.

The items covered consist of a pair of presentation Scottish pistols by Murdoch, given to the Duke of Clarence, priced at £50,000; a pair of English double-barrelled finlock pistols by Harman Barne, made around 1850, and valued at £30,000; a set of two pairs of English pistols by John Manton, with accessories, made around 1804, and priced at £30,000; an English repeating pistol of around 1800 by H. W. Mortimer (£20,000); a double-barrelled percussion gun made by La Page of Paris in 1880 (£25,000); and an English 8 shot revolving flint pistol by T. Anney, dated around 1700 and priced at £18,000.

SALEROOM

By ANTHONY THORNCROFT

ormolu mounted vase decorated by Axante.

At Sotheby's printed books brought in £57,227, with top prices of £3,200, way above forecast for "Feu d'Artifice," a collection of 98 engraved plates of the 17th and early 18th centuries, and £2,600 for a first edition of Martin Luther's "Passional Christi und Antichristi," with 26 large woodcuts. Export licences have been withheld for three months on

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UK NEWS

Healey and CBI to discuss pay deals

By John Elliott, Industrial Editor

BRITAIN'S economic prospects for the coming year and the reform of the country's pay bargaining system are to be discussed by Mr. Denis Healey, Chancellor of the Exchequer, and leaders of the Confederation of British Industry tomorrow.

This will be the Confederation's first meeting with the Chancellor on pay bargaining since the Government signed its concordat with the TUC last month.

The industrialists will urge the Chancellor to set up a broader system of annual economic assessment than that planned at present. They want an independent assessment body, possibly linked with a Parliamentary Select Committee, which would operate in public and make annual recommendations on wages and associated matters.

They are therefore not willing to join the TUC in private tripartite talks with the Government although they do not object to the Government's having separate talks with the CBI itself and the TUC.

The meeting will form part of the limited economic assessment that the Government plans to conduct with both sides of industry during the coming weeks. It is not yet clear whether it will be possible to complete this assessment before the Budget on April 3.

The talks are to be continued on Friday when Mr. Healey will

BOC gas price curb costs £3m in 1979

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

BOC WILL forfeit £3m in additional revenue and profit this year as a result of the Price Commission's recommendation that the prices of its industrial gases be frozen for a year.

In a letter to senior managers, Sir Leslie Smith, BOC chairman, describes the Price Commission as "an enemy capable of inflicting great harm." Sir Leslie said yesterday that the report of the Price Commission, which was published on March 1, had caused "a great deal of resentment and feeling that we have been unjustly treated." He claimed that it was already being used against the company by customers.

Sir Leslie lists the mistakes that he believes his company made in dealing with the Price Commission. The first was to believe that "we had nothing to fear."

"It is true that productivity agreements reached at the end of 1977 had not been effective. (They had been based on an assumed expansion of the market which did not occur.) But

both the 1977 and 1978 gas wage settlements, if not formally approved by various Ministers, were at least reached with their knowledge."

Secondly, management was instructed to be completely open with the Commission. Problem areas were identified to the Commission, only to find them interpreted as a "need for an urgent programme of cost reduction in many areas" and used to deny the company a price increase.

Arbiter

Thirdly, the belief that the data would be used fairly and objectively, Sir Leslie cites the case of the 30,000 gas cylinders lost each year, which the Commission said cost the company £1.7m. But, says Sir Leslie, this ignores the fact that 28,000 are recovered each year.

The letter repeats the view put by its accountants, Coopers and Lybrand, that the cost of following the Price Commission's recommendations would

be to reduce net revenue by £500,000 in 1978-79.

Fourthly, the Price Commission seems to have set itself up as "an arbiter of corporate efficiency in the UK" and "it is believed apparently that a group of people knowing little about the business (not their fault) is sufficient basis for such a claim."

Sir Leslie accuses the Commission of reversing the company's policy of emphasising the need to invest money and management resources for growth in the longer term, "by insisting that our resources are structured to meet only the short-term need, and by denying us the ability to recoup the additional costs forced upon us by inflation."

The report has also damaged the company's credibility, says the letter, while "our multinational competitors (all of whom will now have copies of the report in their hands) will make full use of it to our detriment."

Methven backs share ownership for workers

BY TIM DICKSON

A CALL for wider share ownership by employees in British industry was made yesterday by Sir John Methven, director-general of the CBI. One way to

prevent alienation among men and women on the shop floor, he said, was to give them a personal stake in their company.

However, Sir John criticised trade union efforts to gain more control in the corporate sector. "As far as I'm concerned, this is not on. Let them concentrate on their traditional role of looking after the financial welfare of their members. We are not going to make them a present of the board room as well," he told a conference organised by the Wider Share Ownership Council.

Sir John stressed that schemes to encourage employees to own shares should only be part of a wider policy of improving working relationships. "The way to meet nationalisation is to convince those who work for us that their prosperity lies in a flourishing private sector," he said.

Mr. Harold Lever, Chancellor of the Duchy of Lancaster, and

the Government's spokesman on small businesses, said he had always seen private sector achievements as a necessary precondition for social objectives.

Dr. George Copeman, a vice-chairman of the council, and a consultant advising companies on employee share schemes, said two major British companies were looking at a new scheme, based on principles widely adopted in the U.S. The scheme is apparently practical under last year's Finance Act, which has already led to the setting up of a variety of employee share arrangements.

In this type of profit-sharing, money is invested in company shares, which the employee has to leave with trustees for five years.

The company's contribution, which depends on the level of profits, is shared between the participants in proportion to their own contributions and also invested in shares of the company.

More will fly from Gatwick on holiday

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS is to increase its flights to some Spanish and Portuguese holiday resorts from April 1, and will transfer them from Heathrow to Gatwick.

Traffic to the destinations involved—Malaga, Alicante, Faro, Palma and Gibraltar—is growing and the Department of Trade wants more flights from Gatwick to ease congestion at Heathrow.

British Airways has for many years used Gatwick for its holiday charter flights, through its subsidiary British Airports, but has kept its scheduled flights at Heathrow even though many carry nothing but holiday traffic.

The flights now to be moved are scheduled to fly to Malaga, Alicante and Faro from one to two a week, and to Palma and Gibraltar from two to three flights a week.

All British Airways flights to the main business destinations in Spain and Portugal will continue to operate from Heathrow.

The move should go some way towards placating Iberia, the Spanish airline, and TAP, of Portugal, who say they cannot be expected to move out of Heathrow to Gatwick if British Airways does not also transfer. Otherwise, they claim, they would be at a competitive disadvantage.

Both the Spanish and Portuguese airlines recently held discussions with the Department of Trade on the possibilities of moving to Gatwick, but so far no decisions have been taken.

● Air Anzlia has been awarded a licence to fly scheduled services between Stansted (Essex) and Brussels. Using 44-seat Fokker F27 aircraft, it plans two flights each way daily. The starting date has yet to be announced.

Shipping leaders plan better deal for Third World

BY LYNTON McLAINE

UNITED NATIONS plans to ban the use of flags of convenience for shipping and to implement cargo sharing between developed and developing countries are to be discussed at a meeting of world shipowners in Bath tomorrow.

The forum is the third World Shipping Conference of the International Chamber of Commerce. The debate will centre on a series of tough recommendations from the UN Conference on Trade and Development (UNCTAD) designed to give developing nations a greater and more balanced share of world shipping trade. The measures will be debated by UNCTAD in Manila in May.

Developing countries of the third world export 61 per cent of world seaborne cargoes, but they own less than 8 per cent of the world fleet. The disparity is marked particularly in the trade in bulk commodities. Here the developing nations export 90 per cent of tanker cargoes and over a third of dry bulk cargoes, but they own less than

6 per cent of the world tanker and bulk carrier fleet.

The rest of the trade is carried by fleets of the developed nations and by countries which operate open registries. These enable shipowners to register vessels under "flags of convenience" without necessarily giving the countries which provide the flags or the labour a balanced share of trade.

The traditional maritime nations of the developed world have accepted the need for change and have conceded the right of the third world to share in regular services.

But UNCTAD wants to see the changes taken further with the aim of restricting and ultimately phasing out completely flags of convenience operations. The United Nations has called for a "comprehensive set of measures" which would recognise the rights of developing nations to a balanced share in the carriage of bulk cargoes generated by their own trade.

The Bath conference lasts until Friday.

EEC export curb to meet ferrous scrap shortage

BY JOHN LLOYD

A SHORTAGE of ferrous scrap for steel mills, particularly in the UK, has led to export restrictions being placed on scrap within the European Community.

From April 1 to June 30, exports of scrap from the EEC to third countries will be limited to 60,000 tonnes, of which only 3,000 tonnes will be high-grade scrap—the type now most scarce.

Licences for the export of low-grade scrap will generally be issued to all those who can

show firm orders. However, exporters of high-grade scrap will only receive licences if they exported more than 70,000 tonnes last year, and only for amounts above 500 tonnes.

Applicants will be required to provide documentary evidence of firm orders, and licences will be issued in proportion to the amounts exported in 1978.

Chevette sales

THE SOCIETY of Motor Manufacturers and Traders yesterday issued a correction of its statistics on UK new car registrations in February. The Vauxhall Chevette was omitted from the "top ten" car sales chart, published earlier this week. This model enjoyed sales of 4,336 during February and was the sixth best seller.

Turnbull to take over at Chrysler UK

By Arthur Smith, Midlands Correspondent

MR. GEORGE LACY, managing director of Chrysler UK since October, 1976, is expected to return to the U.S. next month to take up a senior appointment with Chrysler Corporation.

Mr. Lacy will be making way for Mr. George Turnbull, who takes over full executive responsibilities in early April.

Mr. Turnbull, a former managing director of British Leyland, was appointed chairman of Chrysler UK in January following acquisition of the company's European operations by PSA Peugeot-Citroen.

Healey's view on UK exports

THE REPORT on the front page of yesterday's Financial Times on the deterioration in the competitive position of British goods appeared in a shortened form, which gave a distorted impression of the views of Mr. Denis Healey, the Chancellor of the Exchequer.

It should have said that Mr. Healey has repeatedly expressed scepticism about the alleged relationship between a declining exchange rate and improvements in export growth. He shares the commitment of Mr. Gordon Richardson, the Governor of the Bank of England, to maintaining a stable sterling exchange rate.

Bankruptcy advertising limited

AMENDMENTS to the Companies (Winding up) Rules, which come into force in England and Wales from April 1, decree that petitions will need to be advertised in future only in the London Gazette. This will deprive newspapers of a traditional source of revenue.

Petitions will have to be served at least seven clear days before advertisement, and the advertisement will have to appear at least seven clear days before the hearing.

Announcing the changes in

the High Court yesterday, Mr. Justice Vinelott said they were intended to reduce petition expenses and speed up and simplify the work of the court.

Hitherto petitioners have been required to advertise in the London Gazette and in a national paper, if the company's registered office is within 10 miles of the Law Courts in the Strand, or in a local paper outside the area. The expense of advertisements placed a burden on petitioning creditors where the assets of a company compulsorily wound up are negligible.

Shore unyielding on house sales

BY PAUL TAYLOR

MR. PETER SHORE, Environment Secretary, refused to make any major concessions on the restriction of council house sales when he met local authority representatives yesterday. Instead he agreed to examine the need for exceptions in special cases.

Mr. Shore agreed to the meeting to clarify the position following his controversial Commons statement restricting the "indiscriminate" sale of council houses.

He told the local authority leaders that was acting because of growing evidence that the general consent to council house sales was being abused.

He said his proposed amendments were to prevent the sale of newly completed council dwellings built for renting to prevent the run down of council housing stocks by the sale of empty dwellings available for renting and to stop the system of offering tenants low price options for future sales.

Answering criticisms from Mr. Horace Cutler, leader of the Greater London Council, that his statement could halt the sale of council houses, Mr. Shore said that less than 200 "homesteading" schemes in properties had been sold in this way compared with sales of about 5,000 other GLC properties and added that he could see no difficulty in making special arrangements to let genuine homesteading continue.

It is thought that the local authority associations sought permission from Mr. Shore to ease the restrictions on council house sales to allow council tenants of two years standing to buy council homes other than the one they lived in. This suggestion was however rejected by Mr. Shore.

Mr. Shore is believed to have agreed to examine the specific problems raised by the local authorities and in particular to study the problem facing prospective purchasers.

Following the meeting Mr. Frank Bushell, housing chairman of the Association of District Councils said he still hoped Mr. Shore would be persuaded to "have second thoughts."

CONTRACTS AND TENDERS

ARAB MONETARY FUND

PREQUALIFICATION INVITATION TO CONTRACTORS

The Arab Monetary Fund intends to start the construction of its new office building on the Corniche Road, Abu Dhabi, in the near future. The building is a 15-floor tower of prestigious office space with its own underground car park and utilising the most modern techniques for electromechanical, security and safety services. The total built area is 15,000 sq.m. and 4,000 sq.m. of landscaping.

Building contractors with previous experience in the construction of similar projects in the Gulf and who can prove their technical and financial soundness are invited to contact the AMF to obtain the prequalification forms which should be completed and sent to the AMF on or before 15th April, 1979.

Please contact:

THE PROJECT MANAGER
ARAB MONETARY FUND
P.O. BOX 2818
ABU DHABI—U.A.E.
Telephone 38500
Telex 2989 AMF AH

LEGAL NOTICE

No. 00834 of 1979
In the HIGH COURT OF JUSTICE
Chancery Division Companies Act 1948
In the Matter of KEM-STRIP LIMITED and
the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 23rd day of February 1979, presented to the said Court by THE LONDON BOROUGH OF HAMMERSMITH, of Hammersmith House (B.O.C.) Building, Bickels Road, London W6 8EG, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 28th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE FRITCHARD & CO.,
108 Kingsway,
London WC2B 6PZ.
Ref. 148R.
Solicitors for the Petitioner.
NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the abovesigned notice in writing of his intention to do so. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor, (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the abovesigned not later than four o'clock in the afternoon of the 23rd day of March 1979.

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JOHN RIDGWAY, BUSINESSMEN 30-70 years, weekly adventure courses April, May, June and September, Ardmore, Rishock, Scotland.

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NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of the above Loan, 1912, in respect of the above Loan, the undermentioned Bonds amounting to £1,100.00 were this day drawn by lot by EDWIN BRUCE WALKER of Messrs. De Pina, Spence and John Venn, Notary Public, for payment at 100 on the 1st April, 1979 from which date all interest thereon will cease.

| | | | |
|------|------|------|------|
| 647 | 652 | 677 | 1445 |
| 1617 | 2216 | 2309 | 2325 |
| 2334 | 2358 | 2361 | |

RECAPITULATION
11 Bonds for £100 each £1,100.00
The above-mentioned Bonds with Coupons No. 125 and subsequent coupons attached may be lodged for repayment on or after 2nd April, 1979, at the Office of J. Henry Schröder Weyss & Co. Limited, Company Department, 120 Chesapeake, London, EC2, between the hours of ten and two o'clock, 6th March, 1979.

Investment 'must be increased'

By Paul Taylor

THE GOVERNMENT must cut day-to-day expenditure and long-term capital expenditure, Mr. Jack Seeley, chairman of the Federation of Civil Engineering Contractors said yesterday.

Repeating a common theme among the construction industry, Mr. Seeley told the Federation's South East section annual lunch in London that investment in capital projects must be increased while expenditure on "over-government" should be cut.

He told representatives from over 50 large civil engineering companies that for years the Government had refused to face reality by putting its own services before the needs of the country.

In an attack on the present round of public sector wage settlements he said the Government was "buying peace" by endorsing settlements above its own estimates of what should be the correct level.

Mr. Seeley urged the Government to resist the temptation to compensate for excessive wage increases by cutting capital spending, which he said would create yet more unemployment in the private wealth-creating sector.

Following five years of capital spending cuts, roads were cracking up because of maintenance neglect and the sewerage system was on the brink of collapse, he said.

Capital spending on the nation's vital infrastructure has been hit again and again, said Mr. Seeley but now Mr. Healey must be told "enough is enough."

Postal links with Iran back to normal

BY JOHN LLOYD

NORMAL mail services to Iran were resumed yesterday and at the same time the Post Office said that telecommunications services were generally running normally as well.

Air-mail letters have not been accepted by the Post Office since February 7, while surface mail was stopped on February 19.

About 28,000 letters and 900 parcels have been held up over the period.

Telephone, telex and tele-

gram services have been progressively disrupted since November 22. The Post Office said that at certain times, there had been "very little chance" of placing a call or sending a telex, and telegrams were only accepted at the sender's risk.

However, international direct dialling between the UK and Tehran has since improved greatly, automatic telex links are largely restored and telegrams are accepted once more on a normal basis.

'Pay chemists for advice'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE GOVERNMENT should pay pharmacists for the advice they give to the public on minor ailments, says a report commissioned by the National Consumer Council based on a survey of 800 people in North London and West Glamorgan. Over 40 per cent said they asked the advice of local chemists on health problems.

The Pharmaceutical Services Negotiating Committee, which represents the 9,500 pharmacists in England and Wales, welcomed the report. The committee is pressing for abolition of the present complex system of working out pharmacists' pay and introduction of a basic practice allowance in the region of £8,000 a year. It would include an element for the medical advice pharmacists provide.

The committee also wants pharmacists to be paid a percentage of the cost of the drugs they dispense.

This month an independent panel of assessment is to meet

to look into the whole question of the way pharmacists are paid. The panel is due to report within three months.

Access to Primary Care; Research Paper No. 6; Royal Commission on the National Health Service, SO, £1.50.

CONTRACTS

Davy wins £3.8m plant order

The process engineering division of DAVY INTERNATIONAL (MINERALS AND METALS) has been awarded a £3.8m turnkey contract by Commonwealth Smelting for a plant to recover copper and lead from dross, a residue formed in the Imperial Smelting Furnace during zinc production.

MARCONI AVIONICS (a GEC company) is to supply five major radio systems for Boeing Vertol HC-119 Chinook helicopters, of which 33 have been ordered for the Royal Air Force. Orders totalling £11m have been placed with Marconi Avionics by the

Ministry of Defence. The radio systems will aid the Chinook's effectiveness in logistics operations, troop movement and casualty evacuation.

Ediot Group of Peterborough's subsidiary, MEDWAY BUILDINGS (SCOTLAND) has been awarded a £1.5m contract by the South of Scotland Electricity Board for the construction of a village at the Tonsness nuclear power station site.

Work will commence shortly on the second phase of a three-year programme for the strengthening

of the Preston By-Pass section of M6. The £13.5m contract, supervised by the Lancashire County Council as agents for the Department of Transport, will be carried out by TARMAC ROADSTONE HOLDINGS. Although the contract will involve major works between Junction 29 at Bamber Bridge and Junction 31 at Salford, there will be some operations north of Salford Bridge.

FLESSEY AEROSPACE has won contracts initially worth £1m as the main supplier of the genera-

tion system and fuel boost pumps for the new British Aerospace 146 feeder jet, while Plessey Radar has been awarded a contract worth more than £1m to supply AWS-4 surveillance radar systems for the new coastguard patrol ships now under construction for the Royal Norwegian Navy.

Equipment worth nearly £500,000 has been ordered from QUALTER HALL AND CO., a member of the Matthew Hall Group of Companies. A complete system for solid waste handling is to be supplied.

Unit Trust Notebook No.20

Advertising Standards

Every unit trust advertisement by a member must be approved in advance of publication by the Association and comply with a strict code of conduct including the following provisions. It must:

1. Contain a statement of the objectives of the Trust
2. State the investment policy of the Trust
3. Avoid statements implying an element of scarcity of units
4. Incorporate in the main text the phrase "The price of units, and the income from them, may go down as well as up"
5. State that an investment in a unit trust should be regarded as long term
6. Quote a yield from the units
7. Indicate where prices and yields can be seen or obtained
8. Give the Manager's initial charge and the annual management fee
9. Set out conditions on the sale and repurchase of units
10. Include the distribution dates

Advertisements must avoid statements which might mislead or tend to mislead the public.

Any advertisement which contains any forecast or projection of a specific growth rate, or rate of return, should make clear the basis on which the forecast is made.

Advertisements making claims to growth or rate of return should point out that past experience is not necessarily a guide to future performance.

Performance records quoted in an advertisement must be given over such long-term continuous period "as shall be realistic and meaningful."

Every advertisement must carry in a prominent position the statement "Member of the Unit Trust Association."

Unit Trust Association

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TUC seeks to mend hospital unions' rift

BY PAULINE CLARK, LABOUR STAFF

THE TUC yesterday stepped into the health service pay dispute in its first major bid to try to solve serious differences between the unions involved.

The Government's latest 8 per cent offer, along with a comparability study and £1 on account, has been accepted by a voting majority on both the union side of the hospital ancillary workers and the ambulance men's committee.

The National Union of Public Employees, however, has rejected the offer after a ballot of members for both groups, and plans this week to increase industrial action in hospital services throughout the country.

Leaders of all the main union involved, including Mr. Ian Fisher, general secretary of NUPE, met at the TUC to discuss the problem in what are described as "informal talks".

Although NUPE claims to represent more hospital ancillary workers than any other union—150,000 out of a total

of 250,000—it could be outvoted 13-4 on the negotiating body for the group. This also includes the Confederation of Health Service Employees, the General and Municipal Workers Union and the Transport and General Workers Union, all of which last week announced ballot results in favour of accepting the offer.

But NUPE claimed yesterday that most union members in the health service were against acceptance. It intended to continue selective industrial action until an improved offer was made.

It is demanding a general pay improvement, but in particular it is dissatisfied with the £1 on account in the present package because this would not go to part-timers—a majority of NUPE members.

The union added that there was a serious discrepancy in the amount of supplementary payments consolidated into basic pay between local government workers and hospital ancillaries. Between 100 and 150 more

hospitals were said to have been hit by fresh NUPE action yesterday and further plans were made for three-day or indefinite strikes by hospital ancillary and laundry workers.

As part of the aim to reduce further the service to non-emergency patients, plans were made for action by hospital laundry drivers, hospital porters and domestic staff in Wiltshire, Northampton, Derby, Leicestershire, Leeds and Southampton.

The union claimed it was having difficulty in dissuading members in South Manchester from embarking on an all-out strike from Wednesday. In Edinburgh, 15 hospital could be affected by a call at a meeting of 3,000 hospital workers today for an all-out strike.

Pay talks covering 420,000 manual workers in the gas industry were resumed yesterday. Unions, which have tabled a claim for a 20 per cent pay rise last month turned down an 8 per cent offer.

Clerical-union chiefs urge national pact on pay rises

BY OUR LABOUR EDITOR

STRONG SUPPORT for Government and TUC efforts to influence pay bargaining by developing a national agreement on wage rises has come from the Association of Professional, Executive, Clerical and Computer Staff (APEX).

Leaders of this traditionally moderate clerical union will be urging their annual delegate conference in Blackpool at the end of this month to vote for a move away from free collective bargaining.

The union's conference agenda, the first of the new season to be published, contains two motions supporting a national framework deal on pay between the TUC and the Government. But three other motions say that all interference in wage bargaining should be removed.

A policy document from the union's executive council says the present wage round "must give cause for doubt as to the extent to which 'responsible' collective bargaining has been exercised" in fulfilment of last September's TUC policy resolution on pay. It asserts that pay should now be taken out of the party political arena.

It attacks the way in which it says, the "going rate" has been publicised. There had always been pay-level comparisons between groups, the document says, but now the comparison is between percentage pay increases.

"It should be clear that the argument about whether income policies per se are good or bad is a sterile one. The real argument today is about what is the nature of a policy for incomes, who formulates it and who regulates it."

APEX calls for a body like the old Prices and Incomes Board, to include TUC and CBI representatives, for moves towards a common negotiating date, new comparability and arbitration machinery.

The paper goes further than the recent TUC-Government statement in this respect.

Talks now going on between Ministers and TUC leaders about the mechanics of an annual "consensus" on wages are designed to influence the summer round of union conferences where pay demands and economic policy for the following year are traditionally drawn up.

Steel union calls on ACAS to arbitrate

By Philip Bassett, Labour Staff

THE STEEL industry's largest union yesterday renewed its attempt to take a pay claim for 90,000 production workers to arbitration after the British Steel Corporation refused to improve its pay-and-holidays offer worth 8 per cent.

Officials of the Advisory, Conciliation and Arbitration Service will now contact the corporation over the claim. Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, wrote yesterday to Mr. Jim Mortimer, ACAS chairman, formally requesting arbitration.

Mr. Sims urged that arbitration on the union's claim—which is for increases of 8 per cent, a shorter working week, extra holidays and a further 4½ per cent for past productivity—should be set up "at the earliest possible moment."

Mr. Peter Broxham, British Steel's director of industrial relations, said in talks with the union yesterday that the corporation would consider its request.

Union and corporation formally registered their failure to agree in the negotiations, which lasted for less than half an hour. British Steel refused to improve its offer, which the union has already rejected, of 5 per cent with a further 3 per cent in exchange for productivity commitments and 1 per cent for extra holidays.

Closure notice for the Bilston steelworks in Staffordshire is expected to be given at a meeting on Friday between the corporation and the TUC steel committee. The unions will hold an emergency executive meeting on the issue on the same day.

Another threat of rail chaos

By Philip Bassett

TRAIN DRIVERS on British Rail's Southern Region may decide on further unofficial strikes next week if an independent tribunal fails to make its report on a 10 per cent special responsibility claim by the drivers' union ASLEF by the weekend.

The Railway Staff National Tribunal, chaired by Lord McCarthy, lecturer in industrial relations at Nuffield College, Oxford, is expected to make its report next week.

Pit pay rebels may force ballot

BY CHRISTIAN TYLER, LABOUR EDITOR

A PITHEAD ballot on the 9 per cent-plus pay offer to miners began to look inevitable yesterday when further area delegate conferences voted against the offer. The areas which have rejected the deal and demanded a ballot now make up a majority of hourly-paid miners.

Right-wing leaders of the National Union of Mineworkers want a ballot, to prove that the offer is acceptable to the rank-and-file despite its rejection by delegates of the large and traditionally moderate Nottinghamshire coalfield.

Left-wingers on the executive, most of whom voted for further negotiations with the National Coal Board, have insisted on a ballot from the start.

Yesterday the area council for Yorkshire's 65,000 miners repeated its "disappointment"

with the offer and called for a ballot. It also said that cash from a settlement should be evenly divided.

Leaders of the Scottish area's 19,000 members repeated their similar decision. But if the attempt by Mr. Joe Gormley, union president, at Friday's national executive meeting to widen pay differentials is successful, Scotland's two executive members will be allowed to use their discretion about distribution.

The North Derbyshire area council, representing 11,000 miners, yesterday decided to oppose a deal on present terms and asked for a special national conference and ballot. Mr. Peter Heathfield, area secretary, said that Nottinghamshire's rejection at the weekend "seems to have put the cat among the pigeons."

Times offers jobs back to 3,000

BY ALAN PIKE, LABOUR CORRESPONDENT

TIMES NEWSPAPERS yesterday sent letters, offering their jobs back, to more than 3,000 employees dismissed when publication was suspended last November.

To qualify for re-engagement staff have to report for work by April 2. Reinstatement will become permanent if talks aimed at resuming publication by April 17 are successful. Some employees who have found alternative work since publication was suspended are not expected to return.

Times Newspapers management yesterday met representatives of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel (NATSOPA) to plan a timetable for the negotiations which will begin this week. Talks with these and other print unions have to produce agreement on company demands for new disputes procedures, improved efficiency and the introduction of new technology.

Although the formula for resuming negotiations is being recommended by the NATSOPA executive it still has to be considered by most of the union's chapels (office union

sections) at Times Newspapers and it is not certain that all will accept.

A report commissioned by The Times National Union of Journalists chapel on the possibilities of running Times Newspapers' publications on a co-operative basis was published yesterday. The outline study by Job Ownership, concludes that "Times Newspapers could be converted into one or more co-operatives and could operate efficiently having been so converted."

Customs strike at Holyhead

By Our Labour Staff
CUSTOMS OFFICIALS at Holyhead started a lightning hour strike at 10.30 last night and customs clerical workers at Heathrow Airport were called on to start working to rule as part of the selective industrial action over pay by Britain's two largest Civil Service unions.

The Holyhead strike held up clearance of freight from Dublin and allowed passengers from Fire to the UK without customs check. The Heathrow action is expected to delay import and export clearance.

Unions hard-pressed to meet stricter rules on auditing

BY CHRISTIAN TYLER, LABOUR EDITOR

GUIDELINES for the auditing trade union funds prepared by the accountancy profession are worrying the TUC. Some unions, particularly those whose members hold large balances, are unlikely to be able to meet a required standard, at least the short run.

The guidelines were negotiated by accountancy organisations because their members complained of the flimsy of meeting statutory requirements in respect of trade union accounts, and they have been welcomed by Mr. John Wards, the Certification Officer, part of whose job it is to see that unions make annual and full annual returns.

Accountants have been particularly concerned by widespread failure to report branches, which has compelled auditors to qualify their audits

in many cases. In some decentralised unions, branches hold very large balances.

The law says that sums of over £5,000 must be professionally audited. The printing unions could be in particular difficulty, while others, like the Electrical and Plumbing Trades Union, keep full records at head office of all funds.

To comply with the accountants' interpretation of the 1974 Trade Union and Labour Relations Act, would mean rule changes for many unions, for instance to speed up the reporting process. It could also, according to the TUC, mean a considerable increase in administrative effort, and possibly an expensive increase in the use of professional auditors.

But the TUC is anxious not to appear to be resisting the legal requirements. The accountants say they

have found no evidence of any malpractice in trade union branches. They are, however, worried about the supervision of non-union money that branches often hold, such as holiday club or burial funds.

TUC leaders have voiced their concern to the Certification Officer, and he is likely to take a lenient view of those unions in greatest difficulty, provided they show themselves willing to reform their procedures.

The auditing practices committee of the Consultative Committee of Accountancy Bodies is clearing its report with accountancy organisations. Publication of its guidelines is expected next month.

The committee itself had difficulty interpreting the law, inherited from the Conservatives' Industrial Relations Act, and found it to be badly drafted in many places.

GEC redundancies at Stafford withdrawn

HUNDREDS of redundancy notices to GEC workers in Stafford were withdrawn yesterday following a mass walk-out by nearly 5,000 workers which brought the factory to a standstill.

The men stopped work because of the death last week of Mr. Dick Jenkinson, a foreman, after he received a letter warning that he might lose his job after more than 40 years' service.

When the men returned yesterday, union leaders were immediately called to talks with senior management and a joint statement was issued stating that GEC had dropped plans for enforced redundancies.

The return to work was warmly welcomed by Mr. Jenkinson's widow, Joyce, who had earlier pleaded with the men to go back.

Mr. Jenkinson, 55, was found dead with throat injuries last Thursday at his home in Elm Drive, Bradle, Stafford. He was a senior foreman in the switchgear plant, where the company had planned to axe more than 300 jobs.

Mrs. Jenkinson said her husband had been extremely upset by the news. The following day he was found dead in his bathroom with a knife in his hand.

The joint statement by unions and management at GEC said: "The management has stated that it has withdrawn the formal notices of redundancy and the letters warning of possible termination. It has agreed that in the present situation, provided that reasonable progress is being made in the reduction of manpower levels by means of volunteers, there will be no enforced redundancies."

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UK NEWS — PARLIAMENT and POLITICS

Ethnic aid plan angers Tories

BY IVOR OWEN

GOVERNMENT proposals to provide special financial aid for the "racially disadvantaged"—mainly in inner city areas—came under heavy fire from right-wing Tory MPs in the Commons last night.

They repeatedly interrupted Mr. Secretary of State, when he moved the second reading of the Local Government Grants (Ethnic Groups) Bill.

Its provisions are designed to enable £24m a year to be provided for the "racially disadvantaged," defined by Mr. John as mainly those from new Commonwealth countries and Pakistan.

Mr. Alan Clark (C, Plymouth Sutton) was the first of the right-wing critics to ignore the advice of the Opposition from

bench to abstain. He announced that he would vote against the second reading.

He maintained that the Bill was asking the House to approve for the first time an open-ended commitment to provide public money for particular sections of the population living side by side, in identical circumstances, with the ordinary run of the people.

The sections of the community to be singled out for preferential treatment were identified in the Bill as "ethnic groups"—a description which virtually everyone understood to mean coloured.

"This is reverse discrimination, which is a most dangerous and insidious principle to introduce into the distribution of public funds and favour."

Mr. Clark said it would now have to be explained that it would be no use for ordinary white working class people—who felt themselves deprived in various different ways—to asking for similar help.

"They will certainly be aware of the fact that there is a particular form of discrimination which makes special provision for people simply because they are coloured."

Mr. John explained that the Bill was intended to help groups such as unemployed West Indian youths and other ethnic minorities facing special problems.

"What we have to ensure is that all those who are members of our society are capable of benefiting to the same extent from the services provided by

society."

The grants to be paid under the Bill would contribute towards spending designed to remove the disadvantages suffered by ethnic groups by ensuring that local authority services were as effective for those groups as for the rest of the community.

Mr. Ronald Bell (C, Beaconsfield) and Mr. Nicholas Budgen (C, Wolverhampton SW) interrupted the Minister to call for a more detailed explanation of the concept of "racially disadvantaged."

The Minister said: "Racial disadvantage is that disadvantage suffered by people because of their colour or skin or racial or ethnic background, over and above that suffered by the community generally."

Tribune presents Budget demands

By Elinor Goodman

MEMBERS OF Labour's Tribune group yesterday produced a rough shopping list of things they would like to see in the Budget, all based on the assumption that what the economy wants is reduction rather than another dose of the Chancellor's cautious medicine.

The list will be made into Tribune's formal Budget strategy after tomorrow's meeting of the whole Parliamentary Labour Party to discuss the Budget.

At that stage the group will presumably put a figure on the degree of deflation they would like to see, but what is already clear is that they think there is considerable scope for an increase in the public sector borrowing requirement.

The Tribune group recognise that they cannot expect to see much of what items on their list are included in the Budget.

But they presumably hope that the Chancellor will take note of their proposals and possibly endorse one or two of them as a way of guaranteeing that this year does not see another alliance of Labour Left-wingers and the Conservatives to defeat the Government on a Budget proposal.

Most of the items favoured by Tribune would stand no chance of being supported by the Tories.

The group would like to see proposals for a new wealth tax, selective import controls and a tax on advertising—possibly limited to promotions for foreign products rather than applied to all advertising, as suggested in the party's manifesto.

Prospective Labour candidates have already had to sign a promise that they will abide by the party's manifesto for the direct elections on June 7.

Since this includes a threat to withdraw from the Community if fundamental reforms are not met, this should, in theory, have already whittled out any pro-marketisers.

In fact, a number are still on the list to appropriate the organisational committee yesterday, though there have been objections when the list came up for final NEC approval.

Britain to oppose EEC tariff plans

BY OUR PARLIAMENTARY CORRESPONDENT

BRITAIN IS to urge her EEC partners to strongly oppose the tariff concessions demanded by the United States in the paper and board industry, Mr. John Smith, the Trade Secretary, told the Commons yesterday.

But he refused to be rushed into condemnation of the U.S. proposals on textile tariffs which, he said, were still being evaluated.

The threat to the UK paper and board industry from the U.S. proposals was stressed by Mr. Alastair Goodall (C, Northwich).

Mr. Smith said: "I regard the tariff cuts proposed by the

United States as excessive, and I also regard as excessive the extent to which the EEC Commission proposes to commend and accede to them."

He promised that Britain's view would be made very clear at the EEC Foreign Affairs Council meeting on April 23.

Mr. Tom Arnold (C, Hazel Grove) questioned the Minister about the effect of the U.S. proposals on the textile industry. Mr. Smith pointed out that the GATT Tokyo round talks had not yet been completed. The latest reports he had seen were of an interim nature and referred to 2,000 items in the U.S. tariff scale alone.

Sillars offers devolution solution

BY ELINOR GOODMAN

THE PRIME MINISTER was offered a novel—though not particularly practical—way out of his problems over devolution yesterday by Mr. Jim Sillars, the man who founded the Scottish Labour party, largely in protest at the Government's lack of commitment to a fully devolved Scotland.

In a letter to Mr. Michael Foot, the Lord President, Mr. Sillars suggested that a modified version of the Scottish Grand Committee of MPs should be asked to debate the issue and make a recommendation to the full House.

The modifications to the committee he had in mind would ensure that it recommended support for the proposed Scottish Assembly, despite the narrow margin in favour shown in the results of the referendum.

The Scottish Grand Committee, which looks at Bills affecting Scotland, is made up of Scottish MPs plus some additional Conservatives who are there to ensure that the balance on the committee reflects the make-up of the full House.

Mr. Sillars suggested that, on this "historic occasion," the Grand Committee's vote should be confined to those representing Scottish constituencies.

Meanwhile, the countervailing pressures on the party leadership were demonstrated again last night.

A delegation of Labour MPs, led by Mr. Eric Moonman, went to see Mr. Foot.

They tried to impress on him the impracticality of any move to try to persuade Labour backbenchers to vote against repeal of the Order.

The narrowness of the Government's options were further demonstrated at a meeting of Conservative backbenchers.

The party's Constitutional Committee agreed with their leader's strategy of refusing to discuss devolution with the other parties before the Government has repealed the Order setting up the proposed assembly.

Pym boosts Commonwealth ties

BY PHILIP RAWSTORNE

COMMONWEALTH affairs would be given a higher priority by the next Conservative Government, Mr. Francis Pym, shadow foreign secretary, pledged yesterday.

In a speech to the Royal Commonwealth Society in London, Mr. Pym promised a determined effort to strengthen trading links and put more political purpose into the Commonwealth.

Since the Commonwealth Office had been merged with the Foreign Office, many people felt that its affairs had not received the attention they deserved, he said.

A Conservative Government would explore the possibility of reinforcing political ties by appointing a Minister of State with Special Commonwealth responsibilities, who could liaise with similar Ministers in the larger Commonwealth countries.

Mr. Pym said he would also like to see an enhanced role

for the Commonwealth Parliamentary Association in strengthening the community of interest and common democratic purpose.

The Commonwealth might be given new impetus also through a boost to its trade, Mr. Pym suggested.

A Commonwealth Trade Fair should be considered as a means of stimulating cooperation and cohesion, he said. If successful it could be repeated.

A nucleus of technical and diplomatic expertise ought to be provided, too, for small Commonwealth states whose need for special help was increasing.

There could be an advisory group, responsible to the Commonwealth Secretariat, specifically tailored to study the problems and provide advice and information.

"Through such a service, the whole Commonwealth would be able to learn what kind of help was needed and take a greater practical interest in the prob-

lems of the smaller states," he said.

The Commonwealth Fund for Technical Co-operation should be developed as part of the process of helping the small dependencies now achieving independence to survive and prosper.

Diplomatic representation often presented great problems for such countries, he added.

"The funds are simply not available for the widespread representation that is increasingly important in our more and more complicated world."

The next Conservative Government would encourage Commonwealth countries to develop regional co-operation in areas like South-east Asia, the South Pacific and the Caribbean.

"Britain does have a particular responsibility to try to see to it that, as our remaining dependencies become independent, political and economic vacuums do not develop in the regions or countries concerned," he said.

Advice for Chancellor

THE SCOTTISH National Party yesterday urged Mr. Healey, the Chancellor, to cut income tax, reduce VAT on petrol and increase old age pensions in his April Budget—but only for Scotland.

Mr. Douglas Crawford, the SNP finance spokesman, said that Scotland's economy had different problems and required different solutions from the economy of England.

"These differences become pronounced as the years go by, with the result that the deflationary and tough Budget which the Chancellor of the Exchequer will almost certainly introduce in April will be totally unfair and irrelevant to the needs of Scotland."

Among the SNP proposals, which the Party estimates will cost about £160m in relation to Scotland in the next year, are 1p off the standard rate of income tax, VAT on petrol reduced from 12½ to 8 per cent, and an immediate 10 per cent increase in old age pensions.

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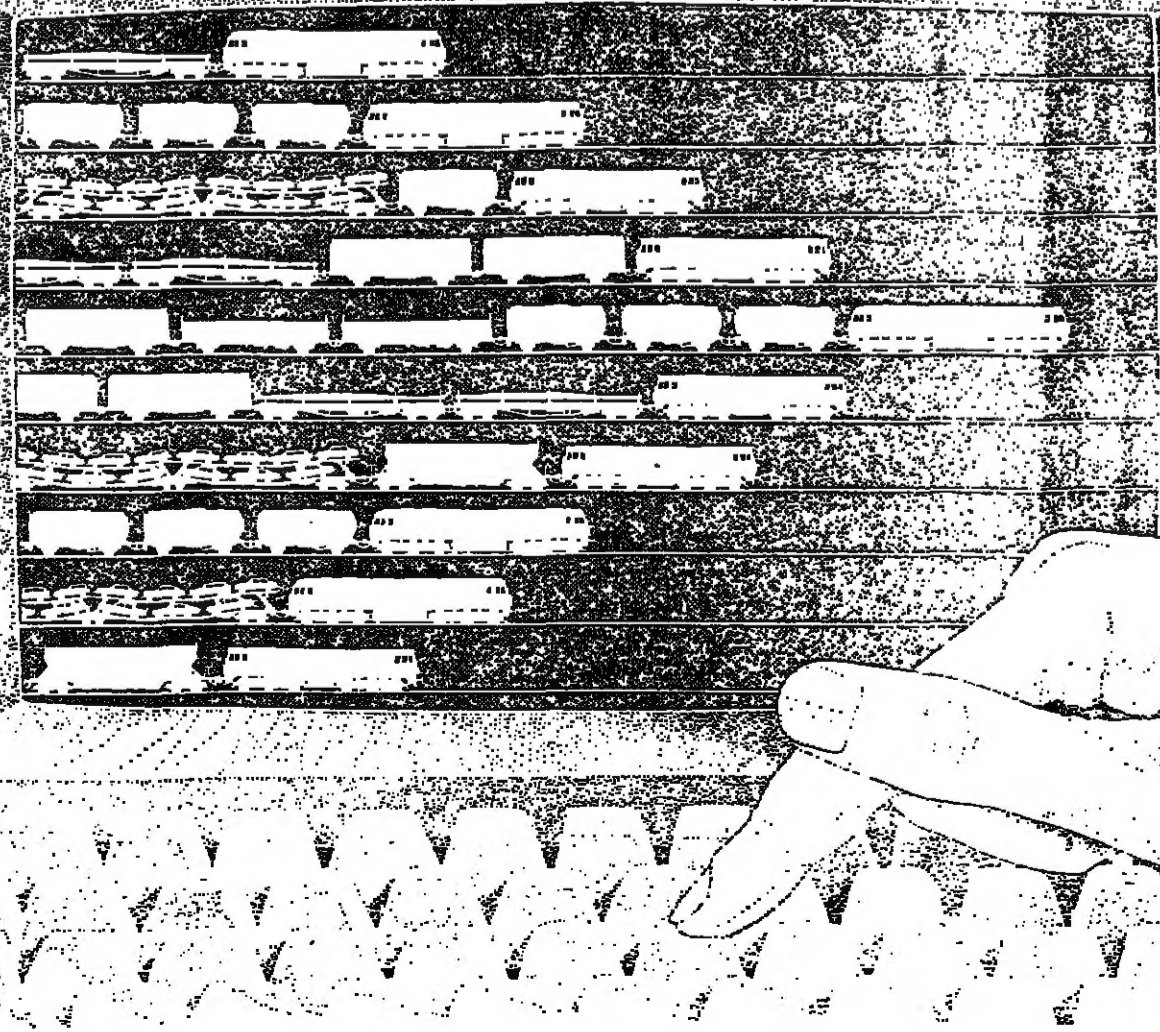
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Bennett report may appear early

PUBLICATION of the Bennett report on allegations of police brutality in Northern Ireland could be brought forward, MPs heard yesterday.

The weekend row, involving allegations by a Northern Ireland police doctor on the TV programme Weekend World, was raised in the Commons yesterday on an emergency question from Opposition spokesman Airey Neave.

Mr. Don Connon, Ulster Minister, said the programme lacked basic content as well as fair judgment, but there were no plans to complain to the Independent Broadcasting Authority.

Replying to the pressure from all sides, he indicated that the report could be published sooner than within the two weeks which had been indicated.

The report is by a committee appointed by the Government, with Judge H. G. Bennett as chairman, to investigate allegations by Amnesty International against police at the Castle-reagh interrogation centre.

Mr. Neave said early publica-

tion would be in the best interests of the Royal Ulster Constabulary. Allegations made on television by Dr. Robert Irwin were a calculated attack on the administration of justice and the security forces in Northern Ireland.

The report should be published at once so that, if there were grounds for the allegations, urgent action could be taken by the Government.

Mr. Connon repeated assurances that the report would be published within the next fortnight, but acknowledged the urgency and hinted that publication could be advanced.

Mr. Mason, the Northern Ireland Secretary, had received the report a few days ago, he said, but would need a little time to study it.

Mr. Connon told Mr. William Craig (UUC, E. Belfast) that Dr. Irwin had, in some cases, reported similar findings to those he had reported in the television interview, though "nothing like" the 150 cases that had been mentioned.

For the Liberals, Mr. Clement Freud said that in view of the "total propriety" of the television programme Mr. Mason should have appeared to give his side. Mr. Connon replied that Mr. Mason had not refused to go on the programme.

Mr. Jack Stallard (Lab, St. Pancras N.) maintained that the programme had done a great service. Its makers should be congratulated for saying what many people had felt—that all was not well with the emergency provisions legislation.

But Mr. John Biggs-Davison (C, Epping Forest) said that in view of the "total impropriety" of the programme it should be considered by the IBA.

Mr. Alex Lyon (Lab, York) said that the Northern Ireland Office had done nothing to encourage the conviction that Dr. Irwin's allegations were being properly investigated. The report should be published quickly.

Mr. George Thomas, the Speaker, later rejected a call by Mr. Craig for an emergency debate on the subject.

NORWAY CONNECTIONS BY DAN-AIR

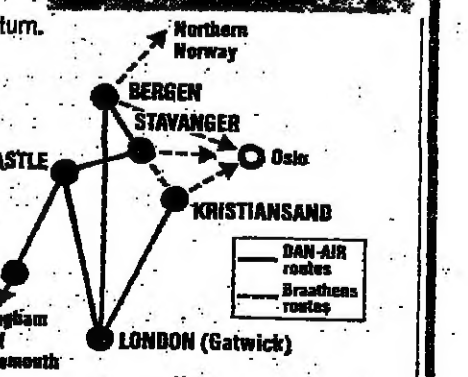
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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MACHINE TOOLS

Worms ground fast and accurately



The TI Matrix 7905 machine for grinding automotive steering worms from the solid

HALVED floor to floor times and elimination of lead, pitch and form errors are attributes of a new all-British worm grinding machine that produces automotive steering worms from the solid.

The TI Matrix 7905 steering worm grinder is the result of a joint development between TI Matrix and Burman and Sons, Kings Norton, Birmingham. Burman makes manual and power steering gear units for car, truck and tractor manufacturers in the UK and overseas.

Following a visit to the U.S. in the mid-70s, Burman engineers approached TI Matrix about developing a machine that could grind open-ended steering worms from the solid. At that time no one in the UK or Europe manufactured such a machine.

Although it had a strong background in finished worm grinding, TI Matrix still had to overcome many problems related to the high rate of metal removal in operation requires—half a cubic inch is removed from each component in 30 seconds.

Replacing automatic screw fitting lathes, the machine grinds open-ended worm shafts or manual steering units. At the moment Burman is grinding straight from solid, hardening, then grinding again. Floor-to-floor time has been reduced from 90 seconds to 45 seconds actual grinding time (10 seconds), and significant errors have been eliminated.

Moog centre's fast table

TECHNICAL advances in the performance of its new model 4000MC machining centre with Hydra-Path control have been announced by Moog.

Rapid traverse rate in all three axes is increased from 15 to 9.00 m/min, which, with exceptional rates of acceleration and deceleration, offers the fastest table movement of any milling and drilling machine on the market, Moog asserts.

In the control system, a novel executive program check makes it possible to test-run every geometrical function in all three axes, including all dimensions, angles and radii, in a total time of less than five seconds. Any error is picked up, and the necessary information is shown up on the CRT, eliminating time-wasting routines of tracing conflicting programming data, such as

Burman will shortly be taking delivery of a second Matrix 7905 with improved characteristics. The new grinder will be used not only on manual steering units but also on Burman's power steering range for trucks and tractors. It incorporates equipment for doing blind-ended worms with the grinding wheel plunging straight into depth without the need for a recess on the component.

Special attention has been paid to the design of the grinding wheel spindle, which is mounted on precision bearings ensuring the utmost stability under severe grinding conditions. Matrix 7905 has an infinitely variable workspeed range from 4 to 80 rpm and a wheel speed of up to 86 metres per second. The wheel is diamond-dressed by a single point dresser with automatic infeed compensation.

Machine cycle and wheel dressing functions are both governed by a programmable memory controller. Other extras include a hoist raising mechanism and external coolant return ways. The coolant filtration unit uses positive pressure filtration through a permanent filter. The unit is self-cleaning using an air-operated back wash system. Sludge is removed by electrically operated conveyor.

TI Matrix, POB 38, Coventry, CV4 9DA, Coventry CV4 9DA.

Precise erosion machine

EXTREME precision, due to the high sensitivity of the work-head servo, will make the Euro-park 650 spark erosion machine of particular value in the manufacture of mould and press tooling.

The equipment has fail-safe cut-out switches and a display to make adjustment simpler. Generous tank proportions enable the machine to take components up to 15 x 10 x 82 inches (405 x 250 x 210 mm) yet both work-head and generator are combined in a unit requiring only 3 x 4 feet in floor area and 61 feet in height.

The tank opens front and side to give maximum access to the table and the high precision compound slide provides high accuracy coordinate movements. Controls on the generator include a vernier feed control and a new three-lamp patented monitoring system. A touch indicator provides a visual or audible signal which tells the

operator as soon as the electrode has been brought into contact with the workpiece. A reference position can thus be established for depth setting by means of a micrometer head, or for positioning the worktable longitudinally and transversely by means of the handwheels, and the vernier scales.

Output is controlled by push-buttons which allow power to be adjusted in steps of 21 amps from 0 to 25 amps with five half-amp increments. In addition, the first 10 amps of the output can be switched to a higher voltage to increase the speed of working, with very low electrode wear. This is especially useful when producing very fine surface finishes or when working on tungsten carbide shapes.

Agemaspark, Lincoln Road, Cressex Industrial Estate, High Wycombe HP12 3TH. High Wycombe 25441.

● COMPUTERS

Allows room for growth

HONEYWELL has three new models in its Series 80 Level 62 small computers line that give the first-time user a high-performance entry system for under £50,000 purchase (around £1,930 rental per month) and offer an on-site expansion path up to one full megabyte of memory.

The new computers, the X5 range, offer a minimum memory size of 256K-bytes, and the entry-level system would include 80 Megabytes of disc storage, eight communications lines, four terminals, and a 300 lines per minute printer.

At the top end of the new

range a 1024K-byte system could have 1200 Megabytes of disc storage with 25 communications lines, and two 1800 line per minute printers.

X5 comprises the Models 62/15, 62/25 and 62/35 and supersedes the existing line of machines; but established users who wish to "grow" their systems within the existing line can do so on-site up to the new maximum of one Megabyte of memory. Level 62 peripherals and software are common to both the earlier and new models. Honeywell, Great West Road, Brentford, Middx. 01-568 9191.

Aids hotel accounting

CYPHER COMPUTERS and Burroughs Machines have launched an accounting and management system bringing nearer the prospect of computers becoming the rule, rather than the exception, in Britain's hotel industry.

It covers all aspects of hotel front and back office accounting and provides an integrated hotel management package.

Introduction of the hotel system follows two years of investigation with the Aberdeen-based Skean Dhu hotel group which has now successfully installed it.

Designed to run on a Burroughs B800 (disc-based) system, it can run with other larger and smaller systems in Burroughs range—namely the B80 and the B1800. A typical cost for the complete hotel system, including the B800 and associated hardware and software, would be around £80,000, considerably

less than any other currently available and comparable system Burroughs asserts. For this reason it should be of interest to all but the smallest hotels and hotel groups.

It uses information keyed in via visual display units installed at all charging points—for example the bar, restaurant or coffee shop. Since the system operates in "real time," as soon as a client incurs any charge in the hotel it is immediately and automatically entered into the system and the account is updated. It thereby ensures that no matter when a client checks out, all charges incurred by him, no matter how recently, will be on his bill which is produced automatically by the system on a printer which could be located at the reception or cashier's desk.

Further from Burroughs on 01-759 6522.

● MATERIALS

Mirrors are made from thin film

MOVES TO expand the market for its Mirropac "glassless" mirrors are being made by British Aerospace, Weybridge—Bristol Division, (Weybridge 45522).

The latter produced these mirrors for use in aircraft (they are extremely light) and it is now thought that they will have applications which were never envisaged when they were first developed.

The surface of the mirrors is made from a thin, but tough, transparent polyester film, highly polished and vacuum coated with aluminium on one side. This film is stretched over a light frame which gives the mirror complete rigidity, while the film thickness, about .0015 inch (.0381 mm) is not sufficient to form a ghost image.

Applications already found include exhibition / display mirrors, architectural ceiling panels and decorative wall cladding where the edges can be butted to form a continuous mirrored surface. Lettering or artistic features can be printed on to the surface of the film, and their non-misting qualities make them a practical solution for bathrooms and other high humidity areas.

British Aerospace has now appointed Kepac, 60, Oakfield Road, Altrincham, Cheshire WA15 8EW (061-941 1027) as UK licensee. This company manufactures display units.

● ELECTRONICS

A look at the future

IF ANYONE is entitled to utter an opinion on the future of the semiconductor industry (and also perhaps the future of the whole of industry) it must surely be Dr. Robert Noyce, who not only was instrumental in starting Fairchild Semiconductors in 1957 but also, with Dr. Gordon Moore, has been behind the dramatic success of Intel.

In London last week Noyce was awarded the Faraday Medal of the Institution of Electrical Engineers for his contribution to the technology and the industry, not long after a similar award to Moore from the IEEE in the U.S.

Noyce's view of the prospects for any start-up company in semiconductors can, presumably, be seen as significant. Put simply, his opinion is that unless the proposed company has a unique product proposition and will be able to invest at a rate at least commensurate with successful contemporaries in the same field, the chances of unaided, commercial success are small.

Noyce makes it clear that he feels Immos to be in this category. He believes that for U.K. semiconductors, Immos "is a bandage, whereas what is required is a cure for the wound." Nor unreasonably, he sees the proper solution in terms of true innovative investment, perceiving no future in Government participation.

His own company's investment, mainly in terms of constant replacement with up-to-the-minute production equipment, was \$104m in 1978, rising to \$120m this year. He contrasts this with the \$100m total spend of Immos, coupled with a product which is well known to

everyone. It certainly cannot be denied that Intel's products at the time of their appearance were almost unheard-of—semiconductor memory followed later by the microprocessor.

It is possible that, on the technology side, LSI limitation may be approaching since at room temperature thermal noise will compare with signal levels at about a tenth of present smallest linear dimensions, that is at 100 times present element densities. Supply voltages would then be down in the 0.5 volt region.

Beyond this there is the prospect of working at reduced temperatures, although the cost of cooling might prove excessive. In any event, Noyce sees it as certain that the biggest computers of 1975, executed in "micro" form will be down to shoebox size by 1985.

Intel, which is only a little over ten years old, has already reached a turnover of \$400m and is now in the position of taking \$25m orders from none other than IBM, who this year will become Intel's biggest customer.

In terms of anxiety about the social effects of the micro, Noyce believes that in the UK in particular serious attention must be given to industrial "computer literacy" and intelligent de-emphasis of the growing Luddite trend. With world-wide inflation rates running at about 10 per cent and cost per electronic function plunging in the opposite direction, the use of these techniques is absolutely inevitable, and applications "seemingly impossible today will be a certainty tomorrow."

GEORGE CHARLISH

Wang is now recognised as the second largest supplier of small business computers in North America and the largest worldwide supplier of screen based word processing systems. It is doing very well in the U.K. too!



● PROCESSES

Recovery of used solvents

SINCE THE prices of industrial solvents have risen dramatically, it is now more than ever necessary to recover used solvent for recycle, says J. A. Welch (Plant and Vessel), Stalco Works, Livingstone Road, Stratford, London, E.15.

Just introduced to the market is the company's Raywell solvent recovery unit, described as a packaged unit of British design and manufacture and, having the ability to operate under vacuum, will recover all industrial solvents in good yield from the dirtiest of liquid wastes.

The unit is automated and continuous in operation, taking in dirty feed from drums or tanks and delivering high quality recovered solvent to clean drums, the solid residues being rejected automatically and continuously.

Three models are available, with capacities up to 160 gallons per hour clean solvent output.

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● POWER

Equipment makers' quest

REPRESENTATIVES of seven large Canadian electrical power equipment producers arrive in London on March 29 at the start of a four-country tour, which includes visits to Kenya, Tanzania and Egypt.

They are interested in contacting UK export organisations, manufacturers, consulting engineers, consortia and contractors active in Europe, East Africa and Egypt. The group is sponsored by the Ontario Ministry of Industry and Tourism (Division of Industry and Trade), Toronto.

The group's aim is to offer either collectively or individually to British organisations a range of products which includes: power cables, high voltage switches, distribution and transmission equipment, switchgear, gas turbine and diesel generating sets.

Members of the group are interested in discussing agency arrangements for sale of their equipment in world markets and appointments for meetings with British businessmen are being handled by the ministry's Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS (01-430 6434).

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

IT IS often argued that business graduates are not the easiest of people to integrate into a company. They aspire to positions for which they are not ready, have too much theory and not enough practice, and altogether are considered by their superiors as being a nuisance because they are out to set the world alight with ideas that undermine established practice.

Peter Curry does not deny that such dangers exist, nonetheless, he feels industry should make use of graduate talent; he is constantly on the lookout in business schools for people he feels could make a valuable contribution to his Reading-based company Unitech, which makes and markets electronic equipment and industrial controls.

Last year, Unitech took on two graduates from the London Business School, one an accountant, the other an engineer. Not a large number, admits Peter Curry, but then in view of the company's size (about 2,000 employees) he does not expect that it will be able to absorb more than three graduates a year in the immediate future. But as it grows he plans to take on an increasing number.

Curry, 48, admits there is a problem of achieving an interface between some business graduates and the company in the early years. But he believes that among the benefits they provide are analytical minds and sound judgment. To achieve that interface "we try to find assignments that are interesting to them and profitable for us, and in this way they build up experience in a live situation."

To hear him advocate such an approach is no real surprise. For one thing he has been backing people in one way or another for the past 16 years. For another, both he and his brother John, 40, are directors of Unitech, are Harvard graduates who clearly subscribe to the concept of business education and to the slick professionalism/management so common among many U.S. companies.

entrepreneurial concept worked out by Peter Curry and Gordon Macpherson when both were at Harvard Business School in 1954. The idea was to provide venture capital for small and embryonic technology-based companies in exchange for a majority shareholding, creating a group of companies that would have Curry and Macpherson providing broad central consultancy and direction. It was not, however, until 1982—after each had gone his separate way to gain commercial experience—Curry into electronics and Macpherson into stockbroking—that they finally got together to put the concept into practice.

Hiccups

It all started with Coutant Electronics. Control of this very small manufacturer of DC stabilised power supplies, pressure transducers, strain gauges and load cells was bought with funds put up by private backers. Next came companies involved in marketing computer peripherals, capacitors, and other types of electronic components.

Today, the group comprises 25 subsidiaries divided into two distinct divisions. One is involved in marketing electronic components, largely by private backers. Next came companies involved in marketing computer peripherals, capacitors, and other types of electronic components.

The other is the manufacturing side, making not only electronic components, but also industrial controls, computer peripherals and, more recently, marine navigational equipment and instruments.

Growth over the past ten years has been interrupted by a couple of small hiccups but in 1977-78, on sales of \$33.76m, pre-tax profits emerged at a record \$3.1m. The first half of the present year saw continued expansion, though at a lower rate than last year as a result of a less certain outlook in the microprocessor field.

Sadly, perhaps, Curry long ago left venture capitalism behind. Largely, this is because he believes that Unitech is now of a size where a small new venture would represent too small a part of the whole group and would demand a disproportionate amount of his time.

He would, however, consider reentering the arena using his own money if for example, more generous tax laws were introduced, allowing him to build up capital with which to make investments. He would also want to be able to offset venture capital losses against tax.

But if venture capital investments have had to make way for takeovers of established and fairly substantial companies, as well as internal growth, the role that Peter Curry and his brother play in essence unchanged. They remain very much removed from day-to-day activities, working out the strategy for the group's future, setting the

Nicholas Leslie on the 25-year-old philosophy behind Unitech Business American style —in Reading, Berks

guidelines within which each company should operate, monitoring financial performance and, with very small headquarters staff, acting as a consultancy to help sort out any problems a subsidiary might have.

This leaves each subsidiary with a considerable degree of autonomy. By "autonomy" Curry means that the parent company is concerned with three prime decisions. First, it decides the business or market that each subsidiary should be in; second, it lays down the financial objectives, establishing the rate of return that each subsidiary should aim for; and, third, it appoints key people to manage the subsidiaries. The subsidiaries' results are reviewed monthly to check progress against budget and annually in relation to Unitech's rolling four-year plan.

Curry has a nice concise saying to sum up his expectations of management. "Good managers," he says, "meet their budgets in bad years and beat them in good years. Bad managers meet their budgets in good years but fall well short of them in bad years."

It is clear that Curry laid down tough standards from the start. Some of the entrepreneurs whose companies formed the basis of Unitech have departed. Curry prefers not to discuss why any executive leaves, but reasons probably include their reluctance to accept targets expected of them,

or their preference for total independence. Although demanding, Curry is none the less realistic about what can be expected from a group of companies. "We have 25 operating subsidiaries, of which probably five at any one time has a problem. We have got to be clear what that problem is. We have either made a bad market decision or a bad people decision. These are the issues that we (the main Board) look at. If it is the market that is wrong we have got to get out of it. If it is a people problem we have got to correct it."

Since 1971 Unitech's sales have grown ten-fold and Curry believes his market position is now good. But he acknowledges that it is difficult to develop the right people internally for the company at the same rate. Unitech is therefore in the process of creating a plan to recruit and develop people for its future needs. Not surprisingly, it will be looking for graduates straight out of college, marketing and engineering people, as well as business graduates.

Fortunes

While Unitech has increasingly expanded its manufacturing interests, it was marketing which formed the original backbone of growth, with distributorships and agencies for electronic components. Explaining why he chose distribution, Curry cites the analogy that many more fortunes have been made out of making and market-

ing motor components rather than cars. For similar reasons he chose computer peripherals and software rather than computers themselves.

One of the main marketing subsidiaries is Celdis, which handles microprocessors and other components from virtually all the major U.S. manufacturers. That he is able to market competing products is, he says, due to the strength that a handful of UK distributors have developed: there are six distributors with 50 per cent of the market. So manufacturers want to come to us, he says.

On the other side of the business, APT Electronics, taken over by Unitech in 1972, is an example of the company's aim to broaden its base in manufacturing while remaining in technology-based businesses.

APT's basic product is DC to DC units for Post Office telephones. Much of what it makes is custom-designed equipment which is becoming increasingly complex, requiring APT to educate its customers about the various developments taking place.

A particularly important part of APT's current strategy is its analysis of ways to exploit microprocessors, both in its navigational equipment—it introduced a marine digital direction finder last year—and in industrial controls.

Discussing Unitech's business in general, Curry says that about developments taking place in the U.S. Much of Unitech's business is indeed based on American ideas and developments. He makes no apologies for this, making the point that back in the early 1960s he was asking himself some "very fundamental questions about what was going on in America in the smaller areas of business."

And he took the view—which he still holds—that "if a \$30m business in America offers the opportunity to create a market in the UK, even if it is only \$3m, it is well worthwhile stepping into that business."

This monitoring of the U.S. scene remains continuous, and at any given time there is usually someone there from one



John (left) and Peter Curry: "an ability to move rapidly."

of the Unitech companies increasing its existing business and looking for new ideas.

The remoteness of the main board does not mean that its concepts become an intellectual exercise divorced from reality, claims Curry. In fact, the "key attraction" of the system "is the freedom and ability it provides to move rapidly. If we find a man, a franchise or a company that looks promising we can sit round a table now and take a decision."

Such decision-making has

helped Unitech to adjust to three fundamental changes in technology since it was founded. It entered the market as transistors were replacing valves. Then, says Curry, came the first integrated circuits, enabling a number of transistors to be put on a single silicon chip. The current era was that of the microprocessor, where thousands of transistor devices can be put on a chip.

When the next technology advance takes place, Unitech clearly plans to be in at the forefront.

DOES THE mere thought of trying to divide 35.2 by 17.9 by mental arithmetic threaten to give you a headache? If the answer is "yes," as it very likely is, then don't worry. You are not necessarily innumerate. The whole contentious problem of numeracy was neatly turned on its head last week

by Professor A. S. C. Ehrenberg as he gave the Stockton lecture at the London Business School. He argued that when people cannot understand numerical information it is much more likely to be because it is badly presented than the fault of the puzzled recipient.

"Most of us feel inept when

faced with numerical data," he said. "We think we lack numeracy. My message is that we are not to blame: the fault is not in ourselves but in our data."

Having thus boosted his audience's morale, Ehrenberg, who is professor of marketing at the London Business School, went on to show how and why numerical information can be presented for it to be easily assimilated and understood. But first he outlined what he meant by numeracy.

To him numeracy is about understanding numbers and should not be confused with being mathematical, in the sense of being able to do algebra.

Ehrenberg concentrated not on the abstract problems of innumerate school leavers but on how executives, administrators, educators and professional people could better cope with numerical data.

Taking a hefty sideswipe at the typical control sheet used

in many companies, he said that "often such reports are presented to senior management each month, in what is laughingly referred to as a 'management information system'."

"But the data is difficult to take in. This is partly because of the archaic layout. Years ago the readings used to be entered by hand with quill pens and so today each figure is still entered in a separate box. This stops the eye moving from one figure to another."

The communication of data is greatly helped when people realise that it is much easier to compare figures when the eye runs down rather than across the page, Ehrenberg said.

Another useful rule for the good presentation of data was

Making sense of numbers

BY JASON CRISP

to round off the figures to two "effective" digits. Professor Ehrenberg said he had asked thousands of people to do the division quoted at the beginning of this article. Only three had claimed success, though, as he pointed out, rounded off to two figures it is easy: 35 is divided twice 15.

Ehrenberg drew up a list of golden rules for the better presentation of data: put the figures to be compared into columns rather than rows; round the figures up, drastically; lay-out should guide the eye to facilitate comparison; use averages to summarise or provide a focus; include brief verbal summaries to lead the reader to the main patterns and exceptions.

But why should these rules work? "They do so mainly because they allow our short-term memories to operate more easily—or at all," explained the professor.

When reading a table of figures we need to remember some or all of the numbers. The longer the list, the more the suggestion that figures are better presented in columns: to read downwards the figures are closer together and the eye can see the digits which are changing. But reading across, the eye has to travel further and read each printed digit.

Short-term memory also explains why rounding numbers to two "effective" digits also

helps, said Ehrenberg. It had been established that people can remember fairly accurately long numbers of up to 7 or 10 digits, with the big proviso that the readers are not interrupted in any way.

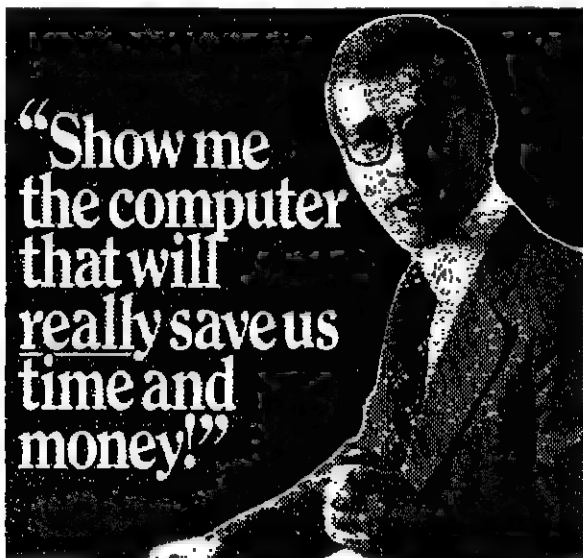
"Scanning figures or doing mental arithmetic are also forms of mental interruption. This explains why we have such difficulty with longer numbers," Ehrenberg told his audience.

But people could remember numbers in their immediate memory even when interrupted by some task as long as the numbers were only two digits long.

Faced with long numbers we are all non-numerate. Faced with two digits we can all more or less cope.

Professor Ehrenberg has put the bell firmly back into the court of the producers of data, who he says, have been production-oriented. "They have shown

little concern for the consumer." Copies of Professor A. S. C. Ehrenberg's speech are available from the London Business School, Stockton Place, Regent's Park, London NW1.



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NOTICE IS HEREBY GIVEN that the meeting of the holders of the Notes of Traders Group Limited (the "Company") issued under and secured by a Deed of Trust and Mortgage and a Trust Deed of Hypothec, Mortgage and Pledge both made as of the 1st day of February, 1949 between the Company and The Royal Trust Company as Trustee (the "Trust") and both as amended and supplemented by forty-nine indentures and deeds of hypothec, mortgage and pledge supplemental thereto (the "Trust Deed") called to be held in the Conference Room No. 3, Royal York Hotel, 100 Front Street West, Toronto, Ontario, Canada on the 12th day of March, 1979 at 10 a.m. (Toronto time) for the purpose of considering and, if thought fit, passing an Amending Resolution, pursuant to the provisions of the Trust Deed, for the purposes referred to in the Notice calling such meeting, has, due to a lack of a quorum and pursuant to the provisions of the Trust Deed, been adjourned to and will be held in the Manitoba Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario, Canada on the 27th day of March, 1979 at 10 a.m. (Toronto time) for the same purposes.

Pursuant to the provisions of the Trust Deed, holders of Notes present in person and represented by proxy at such adjourned meeting shall form a quorum for the transaction of any business which may properly come before the meeting.

Dated the 12th day of March, 1979.

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H3B 1S6

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The Ford Granada Emphasis on engineering



2.8 Litre V6 Granada Ghia with automatic transmission.

Solid engineering makes the Ford Granada a durable and reliable car

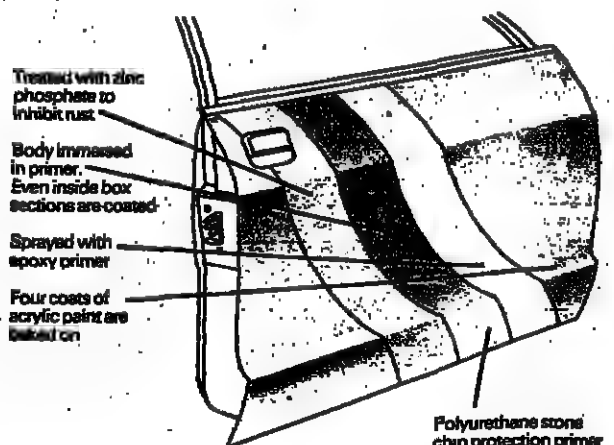
GOOD engineering should make a car work better without making it more complicated.

However handsome a car may look it's what the eye can't see that determines how long it lasts and how well it performs. Ford set out to build a car that would be durable, reliable and have the safe, decisive handling that today's motoring conditions require. They started from the inside and worked out, putting the emphasis on engineering.

As a result, the Granada has the quality and character of cars costing much more - as well as some virtues not all of them possess.

The quest for durability

Even the most expensive car can be humbled by the automobile's worst enemy, rust. Ford put the



Granada through 20 different stages to keep corrosion at bay. They treat it with phosphate to

inhibit rust and give the lower body panels a polyurethane primer coating to protect it against stone chips. They seal vulnerable under-body areas like the wheel arches. Then they bake on 4 coats of tough acrylic paint.

Reliability is achieved by attention to detail

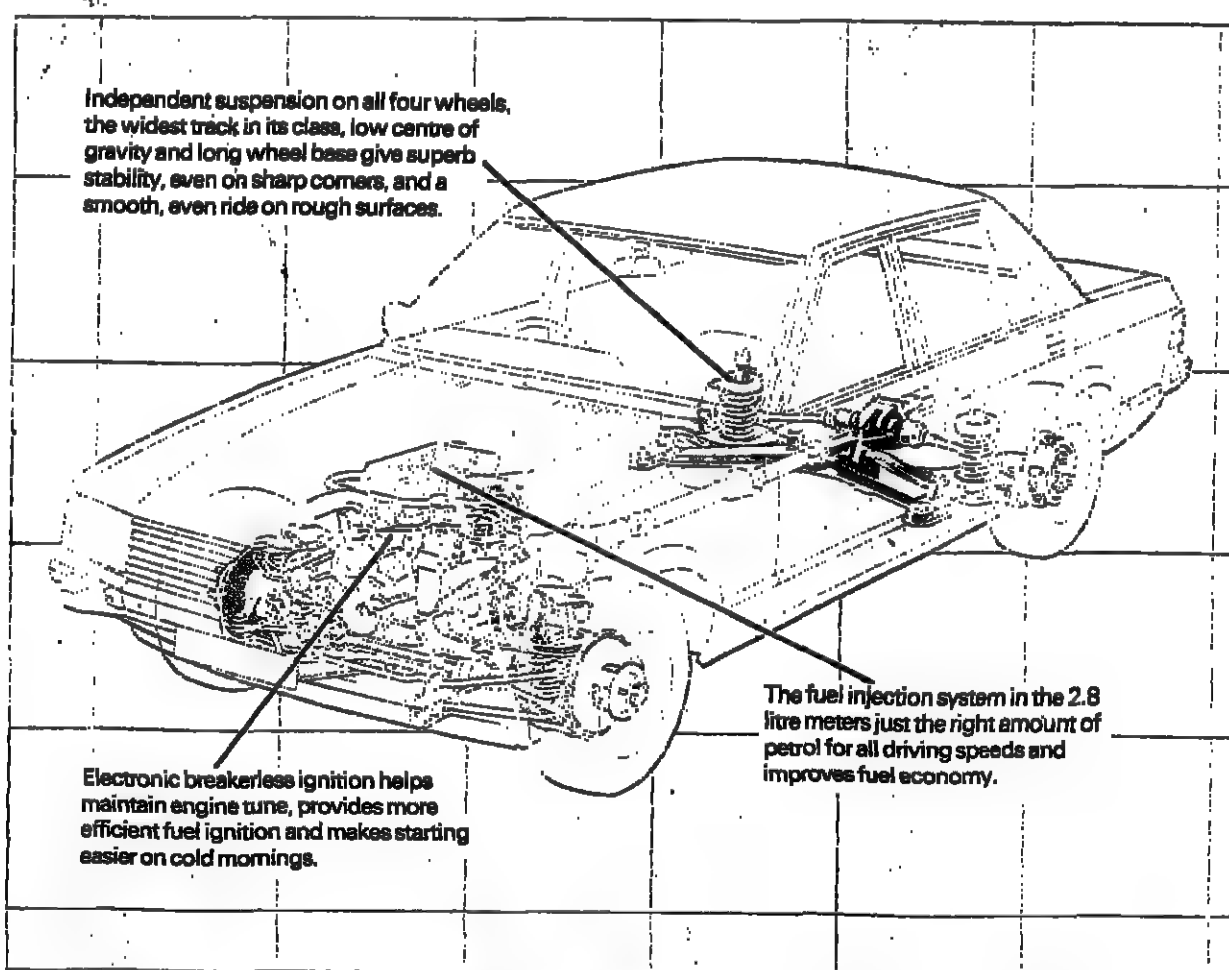
Ask any AA man and he will tell you it is the small electrical faults that are the cause of most breakdowns. In the Granada Ford have reduced the mass of connections you find behind the dashboard of conventional cars by a printed circuit. So there are far fewer connections to work loose. It is this kind of attention to detail that makes the Granada such a reliable car.

Engines that give smooth performance and efficiency

The motoring press were quick to appreciate the smooth performance of the Granada's new V6 engine. Autocar said of the fuel injection 2.8 litre: "Acceleration from rest is very impressive and certainly this is a Ford to surprise a few BMW owners. It joins an elite of cars that can reach 60 mph in under 9 seconds."

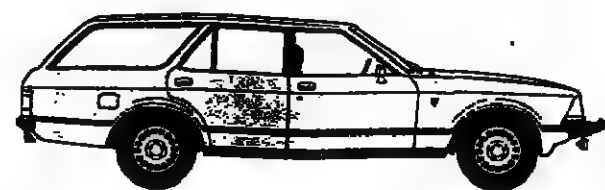
Suspension that gives safe, decisive handling

Experts also praised the safe and decisive handling of the Granada with its all round independent suspension and powerful dual circuit servo-assisted brakes. To quote from Motor Sport: "I drove this Granada faster than most, not because I was in a hurry or in any way brave but simply because Ford have made a car in which this feels absolutely safe".



The 77 cu. ft. estate

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|---------------------------------|------------------|----------------|
| 2.0 L (manual) | 102 | 11.4 |
| 2.3 L (manual) | 105 | 11.7 |
| 2.8 GL (manual) | 114 | 9.6 |
| 2.8 GLS fuel injection (manual) | 120 | 8.8 |
| 2.8 Ghia (petrol) | 109 | 11.8 |
| 2.1 diesel (manual) | 85 | 22.3 |

* Ford computed performance data for saloon models.

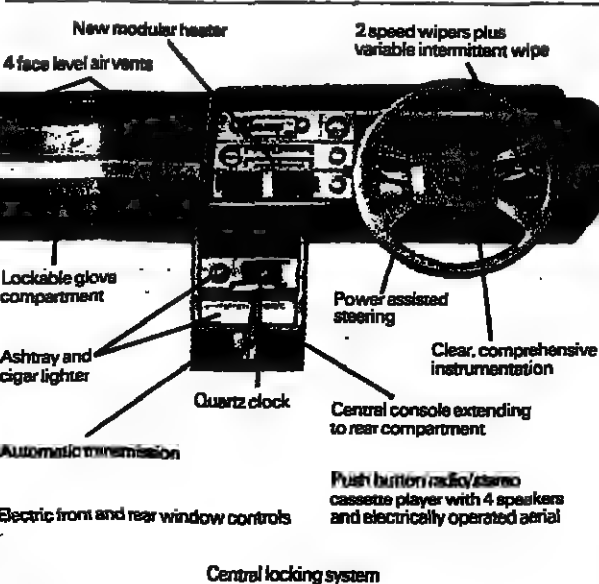
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| Granada GL | from £6109 |
| Granada GLS | from £7163 |
| Granada Ghia | from £7938 |
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FORD GRANADA



THE JOBS COLUMN

Brace to hoist sales for Halsey Marine

BY MICHAEL DIXON

DAVID HALSEY was unexpectedly enthusiastic when I told him that, as a sure sign of spring, I was starting to scrape down and repaint my 18-ft clinker-built boat, Dayspring.

"Lovely, gaffrigged is she?" he asked. "Well, gaffrigged really," I replied. And so we went on for some minutes.

The reason why I did not expect his interest was that the 500 or more yachts which he and his group deal with are all a good deal bigger than Dayspring even though, with her 7-ft beam, she is built like a Blackpool landlady. True, if you insisted, Halsey Marine International might fix you up with something as tiny as a Dufour 31 sloop, but perhaps not without thinking that you must be eccentrically modest.

To be accepted as a normal customer, you would probably do best to sound as though you had never heard of a vessel less than 50 ft long. To create a real impression in the group, you might well have to inquire about ASY 558 in the current charter catalogue, which is a 31-ft wind-jammer with an American crew of 50. An alternative for those who prefer their seagoing not to be complicated by bits of cloth, sticks and string, might be LMY 184, which is a 250-ft motor yacht with twin supercharged diesels giving a cruising speed of 16 knots and with a crew of about 28.

As Mr. Halsey said, his London-based company—which not only charters large yachts of various kinds, but also sells and buys them and finds crews and provides services—operates right at the very top end of the market. And he has just come to the Jobs Column with a fairly urgent order for a manager who will be responsible to him for running and developing the charter side of the business.

Main tasks

With about 10 directly supporting staff in London, the new manager will work from a basis of four main tasks, which the group's director sees as essential.

The first is to know the yachts that the company charters, and to know the principal vessels well. To this end, the recruit will be likely to spend three or four days a month travelling to inspect yachts operating from various different countries. So previous experience in the Navy, either with men of war or with merchant men, or in ship brokerage would be a great advantage.

The second, connected task is to act as a persuasive "referee" between the owner of the yachts and those who charter them. "Both parties need to be satisfied that they are being looked after properly," David

Halsey explained, which bearing in mind the sort of characters who tend to own and to hire 250-ft motor yachts, may well not be as easy as falling out of a hammock.

Next, the newcomer will need to negotiate charters in various currencies. But here the group will, if necessary, provide training. Weekly fees for charters, by the way, currently range from £300 to around £30,000.

The fourth, although certainly not the least important main task will be marketing. This means not only fostering continuing relations with the 8,000 people who have already dealt with the group, but also "producing creative and effective ideas for promoting charters to very rich people all over the world."

In Mr. Halsey's view, therefore, there is an absolute need for demonstrable success in sales or marketing of the entrepreneurial kind in the more opulent spheres of travel or some other branch of the leisure industry. "But don't give anyone the idea that there's much leisure work here," he added, speaking against a background of telephone bells and confabulating staff, even though it was already 7.30 in the evening.

English is the only essential language for the charter manager's job which, for the initial period anyway, would have a salary of roughly £3,000. French

would be an asset, however, and the new manager, like the other person David Halsey is seeking, could well be a culturally-transferable man or woman of some other nationality, currently working anywhere.

The other opening is in the group's sales company, and it is for someone with a naval-type background who speaks English and at least two other European languages, to train as a broker dealing in large yachts.

"We've got to have successful sales experience with a multinational flavour here," the group director said, "and although I'm thinking of an age range of about 30-40 for both jobs, the one in the sales company would probably be best for someone in their early 30s. He would not be drawn on the likely salary, but I estimate that he must be prepared to pay at least £3,000 initially or given a candidate already consummately qualified for the work, possibly considerably more."

Candidates for either post—and, incidentally, fully competent engineers, stewards, captains or seagoing chefs interested in joining the group's register of reliable crew (more deckhands, I fear, are a drug on the market)—should write, repeat write, full details of experience and qualifications to David Halsey, at 22, Boston Place, Dorset Square, London, NW1 6BZ.

Other readers at best qualified, like myself, for continuing to lavish olive grease on some relative shallow will have to remain content with Mr. Halsey's assurance that we are probably happier in our simple pursuits than we would be pacing the quarter-deck of ASY 558 and thinking about the amount of expensive food disappearing daily down the maws of 50 Americans.

Scotland

BACK TO earth: Brian Salter of West One Selection is seeking a general manager—construction, on behalf of a client whom he may not name. Consequently he promises to honour any applicant's request not to be identified to the employer until he is given specific permission to do so.

The job, with a large group based in industrial southern Scotland, carries responsibility for construction projects being carried out in the United Kingdom, mainly on a sub-contracting basis. Responsible to a group director, the newcomer will have about half a dozen managers in immediate support.

Candidates must have had experience of engineering enough to guarantee technical knowledge of construction projects. But they also need to have had direct concern with the policy-

making side of big business and, in particular, "they've got to know what contractual claims are all about," Mr. Salter said.

While he thinks it probable that the recruit will already be working in a similar activity within the UK, he does not rule out culturally-transferable applicants from elsewhere. The salary will be about £16,000 plus a bonus related to performance and perks including a car.

Applications, once again in writing only, enclosing a curriculum vitae to Brian Salter at 61 Berners Street, London W1P 3AE.

R-Exchange

FINALLY today, grateful thanks to the five dozen readers who have so far offered freely their impressive range of expertise in response to my appeal a week ago for help in initiating the resource-exchange.

By the time this Jobs Column appears, I expect to have been in touch with Michael Bretherton about the best way of designing the necessary "brainstorming" meetings. That done, we shall contact each volunteer individually to make appropriate arrangements.

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Son infrastructure, ses installations, ses logistiques sont actuellement suffisantes et doivent lui permettre de doubler son C.A. à court terme. C'est pour atteindre ce premier objectif qu'il a été décidé de rechercher un collaborateur capable de prendre en charge le développement de cette filiale.

Cette fonction implique un rôle opérationnel effectif, mais également un rôle de gestion de contrôle et le suivi des résultats.

Ce poste peut être proposé à un candidat possédant une expérience commerciale réussie acquise si possible dans le domaine de la distribution en Angleterre de produits importés de haut de gamme. La connaissance du milieu alimentaire et délicatessen en particulier serait un atout important. Une pratique courante de la langue française est bien évidemment impérative.

Compte tenu de l'autonomie du poste et des responsabilités à assumer, la rémunération de départ ne sera pas inférieure à £ 10.000 p.a. de fixe plus un intéressement motivant sur les résultats plus véhicule de fonction.

Merci d'adresser CV détaillé en français, lettre manuscrite en français, photo récente et salaire actuel sous référence FT 6114 L à François Sanchez qui viendra à Londres pour les premiers entretiens.

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Further particulars are available from Duncan J. Cameron, Chairman of the Committee of Management, Heriot-Watt University, Chambers Street, Edinburgh EH1 1HX to whom applications (enclosing a full curriculum vitae) should be sent by Wednesday 4th April 1979.

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For further information and an application form please telephone Preston 07523 21072 (4 lines, answer 1) or write to: Sangster Pearson Ltd., 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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Ring 01-930 6711 extn. 34 for an application form or write to Miss S A Bridgett, Personnel Division, CBI, 21 Tothill Street, London SW1H 9LP. Closing date for applications 31 March 1979.



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Applicants should have the necessary background and experience coupled with a strong personality to be able to install a complete accounting/costing system as well as administrative procedures and to make an early contribution to the management of the company.

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Written application only please to the Financial Director at the address above.



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Reporting to the Chief Accountant and controlling a small staff you will be responsible for the preparation of financial reports and the management of the day to day accounting. The department is fully computerised and the recent and projected expansion of the company means that there is ample opportunity to obtain first class experience within a sophisticated environment.

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The need is for Qualified Accountants up to age 35 with initiative and the qualities of leadership who would be required to manage teams conducting internal audits in the Group's offices at various locations in the British Isles. We would be prepared to consider recently qualified accountants seeking their first post-qualification appointment.

The commencing salary will be £7,000 plus per annum, dependent on age, qualifications and experience, plus the travel expenses mentioned above. There are excellent conditions of service and other generous staff benefits.

Applications are invited from candidates of sound accounting and auditing experience, with leading firms of practicing Accountants, to whom we can offer a satisfying career opportunity.

Applications in writing with full details to: Mr. E. A. Joyce, Recruitment Officer, Guardian Royal Exchange Assurance, Royal Exchange, London EC3V 3LS.

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The position, open to both men and women, calls for a formal accountancy qualification, a probable age 28-40 and significant post-qualification experience in an industrial or commercial environment. The initial salary will be negotiable up to £9,000 per annum as well as non-contributory pensions and life assurance schemes and some assistance with relocation. Write with details of experience and qualification to Position Number AWM 7218, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore candidates in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

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Please write enclosing C.V. to:

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The successful candidate will be based in the European Head Office which is located in an attractive area in France on the Swiss frontier, near Geneva. The Company seeks a professionally qualified Accountant/Auditor to organise this new function.

Applicants must be:

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- Familiar with U.S. Accounting requirements.
- Reasonably fluent in French and German.

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Please write enclosing detailed C.V. to:

Mr. W. Anderson
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Box 46683, Financial Times
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Applications, including a comprehensive curriculum vitae, should be addressed to: Mr. J. H. Morris, FCA, Financial Director, Airfix Industries Ltd., 17 Old Court Place, London W8 4QF.



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£6,000 accountancy appointments £9,000

These appointments appeared in the Financial Times on 6th March. For full details see the FT of that date or alternatively telephone 01-248 8000 ext. 526

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| Chartered Accountant | £7,500 | C. London | Robert Half |
| Corporate Auditor | £7,500 + Car | C. London | Robert Half |
| Financial Accountant | £7,500 | C. London | Redland Bricks |
| Management Accountant | c£8,000 + Car | Reigate, Liverpool | Liverpool Daily Post & Echo |
| Qualified Accountant | c£8,000 + Car | West End | MCS/Robertson Scott |
| Assistant Financial Controller | c£11,000 tax free | Saudi Arabia | WMSP Tech. Services Ltd. |
| Group Financial Controller | c£7,000 | Chatham, Kent SW1 City | Ward Holdings Ltd. |
| Young Accountant | c£7,500 | Knightsbridge Essex | Personnel Resources |
| Financial Controller | c£7,500 | N1 City | Trollope & Colls Edges |
| Young Qualified Accountant | c£7,500 | Scotland Baker Street London | Albright & Wilson Ltd. |
| Management Accountant | c£7,000 | UK/Europe EC2 | Mervyn Hughes Group |
| Group Accountant | c£6,000 | | Personnel Resources |
| Chartered Accountant | Neg. to £8,500 | | Turner, Hutton & Lawson |
| Newly Qualified C/A Accountant | c£7,000 | | FT Box No. A6683 |
| Company Accountant | c£8,000 | | Personnel Resources |
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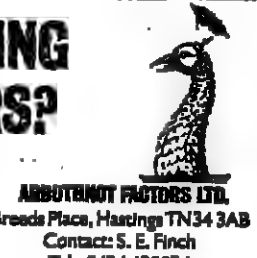
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For a change, use your eyes

BY W. L. LUETKENS

READING THE entrails of newly slaughtered beasts went out of fashion a long time ago as a means of foretelling the future. We have become too sophisticated for something so unscientific, even though it seems to have served the Romans well. After all, their empire lasted a bit longer than some more recent ones.

But another one of the ancients' indicators of the shape of things to come merely seems to have moved house from the Pythian priestess at Delphi to deliver her forecasts. Now her careful blends of "yes," "no," and "maybe" issue from the steamy atmosphere of statistical offices the world around.

Revisions

The C. D. Howe Research Institution in Montreal, in its latest annual policy review, Anticipating the Unexpected, takes a look at Statistics Canada, the official oracle of Ottawa, and the sort of thing it has been saying about the Canadian economy. The research workers in Montreal were too cautious to sum up their findings in a pithy judgment. They leave the conclusion to us, and it is pretty shattering.

What they did was to compare Statcan's first figures for the growth of GNP in several years of this decade with the final, final revised figure. Please note that they did not go for the easy laugh by poking fun at prognoses: all the figures examined were published after the year in question had ended.

It turned out that year after year, from 1971 to 1976, Statcan's initial figure published in March of the following year, was successively out by 1.5, 0.6, 0.5, 0.1, 1.1, and 1.1 percentage points. Not too bad, one might say, until one sees that the estimates were out by 28, 11, 7, 3, 18, and 24 per cent. Year after year they were too low and had to be corrected upwards, except in the case of 1974. For that year Statcan's first shot was too low by 0.1 percentage points. And 1977 has not been revised at all yet.

The C. D. Howe researchers comment cautiously that the original estimates indicated economists' perceptions of the strength of the economy and recall that the Canadian Government introduced stimulatory

budgets in May, 1972, February, 1973, and May, 1974. In retrospect, the researchers say, it is clear that there were inflationary risks. You and I might add no wonder that there was severe inflation.

Some Canadian economists have decided to ignore the entire ritual of preliminary national accounts. Instead they look at the employment ratio, the proportion of the working age population that is at work. It has been rising steadily, an 8 per cent unemployment rate notwithstanding. The writer feels fairly smug about that: year after year he has told Canadian friends that his non-economist and unstatistical eye for their country looked pretty prosperous.

The moral seems to be that the evidence of one's eyes is no less important than the Pythian statistics. Look at Italy where an official economy in tatters is counter-balanced by an underground economy which is doing awfully well. Look at the U.S. where the Federal Reserve has found that its monetary statistics are dubious in the extreme; look at West Germany, where more than 1m unemployed have not exactly filled the streets with beggars; look perhaps even at Britain.

Moonlighting

Look also at Austria, where both the official and the underground economy are flourishing. The writer once asked an Austrian central banker how he managed to keep track of things, given the evident importance of the underground economy (or tax evasion to you and me). "Oh," he said, "we're lucky. Most of the moonlighting is done constructing residential housing. So we count new houses at the end of each year, and that gives us an idea of what's really going on."

The writer does not want to be thought to be picking on Statcan, but this story is too good to be missed. Statcan has informed an amazed public that of the country's 312,765 Indians and Eskimos, 95 had Chinese as their mother tongue, 135 Gaelic or Welsh, 175 Hungarian, 1,155 Italian, and 10 Yiddish. Maybe Statcan has discovered the lost tribe of Israel—but certainly it has given us a reason for using our eyes and heads no less than our calculators.

The sweet attraction from Touraine

TOURNAI, as visitors and girls planning to be "finished" are told, is the place in France where the best French is spoken—*pas-accents!* In the past, in spite of such historic names as Vouvray and Chinon, there has perhaps been even less accent on the wines of Touraine than on the impeccable speech of the Tourangeois and their incomparable chateaux. Today, however, with prices rising on France's other wine rivers, as well as on Burgundy's hillside, these varied and relatively inexpensive wines in the heart of the Loire Valley are worth more attention than they have generally received on most wine lists.

Regulations

Another reason now for looking more closely at the Touraine wines is that they are generally much better made than they used to be; partly as a result of the strict appellation control regulations and partly because the growers are receiving a more adequate return for the arduous work in all viticultural dependent largely on physical labour. (That the benefits are not universal was demonstrated to me last autumn when a merchant's yard in Berlin was filling up with non-appellation sweet wine at FFf 2.30 (27p) a litre!)

The moral seems to be that the evidence of one's eyes is no less important than the Pythian statistics. Look at Italy where an official economy in tatters is counter-balanced by an underground economy which is doing awfully well. Look at the U.S. where the Federal Reserve has found that its monetary statistics are dubious in the extreme; look at West Germany, where more than 1m unemployed have not exactly filled the streets with beggars; look perhaps even at Britain.

Yellow Dean leads Irish invasion

THERE HAVE been 127 Irish-trained Cheltenham festival winners since the war, and a little doubt that the figure will have been pushed beyond the 130 mark by Thursday evening, in spite of the uncharacteristic air of pessimism in the birthplace of steeplechasing.

To open proceedings the raiders send a team of five to post for the Sun Alliance Hurdle, in which Yellow Dean

RACING

BY DOMINIC WIGAN

strikes me as their best prospect of retaining a race monopolised by Ireland since 1971.

Yellow Dean, a chestnut son of that top-class two-year-old of some ten years back, Yellow Gallop, first showed his aptitude for the winter game when justifying odds of 4-5 in a 17-runner maiden hurdle at Leopardstown on November 29, following two unplaced runs.

A head winner, again at

Leopardstown, on Boxing Day, Yellow Dean went on to defy 12 st 11 lb in a division of Ascot's Silver Doctor Novices Hurdle, then ran fifth on a return to Leopardstown for the Erin Foods Champion Hurdle.

If Yellow Dean proves capable of reversing placings with the fourth in that event, Exalted, then the pair are going half-mile further, he should prove more than a match for both his compatriots and Venture to Cognac, my idea of England's best hope.

A second likely winner for Ireland—several of whose contingent of 44 will run twice over the next three days—is Deep Gale in the National Hunt Chase.

Eddie O'Grady's six-year-old has been running well without catching the judge's eye this season. Last time out he did extremely well, over a distance of 2m 10f, in the National Hunt Chase at Naas, finishing third to Seventh Son and Daletta.

For several months past I have had Dramatic chalked in as likely Cheltenham banker, and although that term may now

be too strong to describe his chance in the National Hunt Two-Mile Champion Chase, the Sexton House eight-year-old ought to come good again.

Another high-class chaser still in the novice stage who is certain of a good following today is Silver Buck. The Tony Dickinson seven-year-old, whose pilot, Tommy Carmody, took the opening events on the corresponding day a year ago, with Mr. Kidder and Billy Wray, fully deserved his recent Haydock success over Night Nurse.

On that running he looks a good thing, barring a fall or interference, in the Sun Alliance Chase.

Rumours persist concerning the well-being of Champion Hurdle candidates Monkshead and Sea Pigeon. Jack of Trumps is certainly a non-runner for Thursday's Gold Cup.

WINE

BY EDMUND PENNING-ROWSELL

and there was no hint of decay. A rare experience to taste and, surprisingly enough, it made the scarcely less esteemed 1947 seem almost light and nothing like so rich in comparison.

It so happens that Yapp Bros. of Mer, Wiltshire, can offer this wine at £31 a bottle (less expensive than first-growth '61 clarets), while O. W. Loeb of Jermyn Street, WI have a '47 from Forest at £12.75. Both firms have an interesting range of Vouvray, as well as the similar but rather less distinctive Montlouis from across the river.

A large proportion of

Vouvray is dry, though with a suggestion of sweetness and softness. It often has a slightly smoky nose, is clear and firm but has much less individual character than the demi-sec, which is what fine Vouvray is. There is also a good deal of sparkling Vouvray, made by the champagne method and mostly drunk locally. It does not strike me as good as the dry sparkling Sancerre produced lower downstream. The still Vouvray, dry or demi-sec, can be bought here for upwards of around £2.75, the moeller for rather more.

Touraine's other main contribution to the wines of the Loire is the red Chinon and Bourgueil. The former leans heavily on the fact that Rabalais was born in the attractive riverside town, and both are made from the Cabernet-Franc, the Bordeaux grape variety known here as the Breton. There is a good deal of local argument as to whether the wines, firmer, less rounded than this grape produced in the Gironde, differ

in style. Chinon is said to remind one of wild strawberries, or, alternatively, violets. Bourgueil of raspberries; but in fact they differ principally according to the soil. Chinon tends to be grown on sandy soil, whereas Bourgueil and a small part of Chinon come from tougher clay. The former mature much more rapidly, and are somewhat near their best after two or three years, but the more tannic coles wines need another three or four years, and may indeed last to a considerable age.

These are dry, somewhat tannic wines with a certain attractive asperity and clean flavour that makes them admirable luncheon wines rather than voluptuous fare for Rabalaisian banquets. At £2.50 to £3 or so a bottle, these are distinctive wines of character and style.

That does not exhaust Touraine's vinous attractions, for there are three small appellations of non-controlled areas associated with the famous Loire chateaux: Touraine Amboise, Azay-le-Rideau and Mesland near Chantenay. Amboise is made in all three "colours." Azay-le-Rideau only in white, and Mesland only in red and rose. All three are light wines, and the best is probably the Azay. They are essentially wines to be enjoyed on the spot as part of the local scene.

Although the typical Loire grape is the Chenin—the basic grape of Vouvray—varieties from other parts of France seem to converge in Touraine. So one finds the Gamay, the Cabernet-Sauvignon (a little is used in Chinon and Bourgueil), the Malbec and Sauvignon, as well as the Pinot Noir and Chardonnay. Local grapes also include the Arbois and the Grolleau.

Agreeable

Of all these I believe that the Gamay should have a good future, and on my last visit I tasted some agreeable Touraine Rouge made from this grape. Not unlike a Beaujolais in aroma and flavour, and a good deal lower in price, it is worth trying, served fresh as a no-nonsense red above the ordinary class. It should cost, at much above £2 a bottle, although as a result of the small, disappointing 1977 vintage and a shortage of stock all the Loire wines have recently risen sharply in price at source, and the better 1978 crop is unlikely to alter this tendency. Traditionally Touraine wines are for early drinking, retaining the freshness of youth; and that, after all, is a recommendation these days of restricted accommodation for wine in the home.

TV/Radio

Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only).
7.55-9.00 am News, 1.00 pm Midday News, 1.00 pm Play, 1.45 pm Play, 2.00 pm You and Me, 2.14 pm For Schools, 2.20 pm Play, 2.24 pm For Schools, 2.28 pm Play, 2.32 pm Play, 2.36 pm Play, 2.40 pm Play, 2.44 pm Play, 2.48 pm Play, 2.52 pm Play, 2.56 pm Play, 3.00 pm Play, 3.04 pm Play, 3.08 pm Play, 3.12 pm Play, 3.16 pm Play, 3.20 pm Play, 3.24 pm Play, 3.28 pm Play, 3.32 pm Play, 3.36 pm Play, 3.40 pm Play, 3.44 pm Play, 3.48 pm Play, 3.52 pm Play, 3.56 pm Play, 4.00 pm Play, 4.04 pm Play, 4.08 pm Play, 4.12 pm Play, 4.16 pm Play, 4.20 pm Play, 4.24 pm Play, 4.28 pm Play, 4.32 pm Play, 4.36 pm Play, 4.40 pm Play, 4.44 pm Play, 4.48 pm Play, 4.52 pm Play, 4.56 pm Play, 5.00 pm Play, 5.04 pm Play, 5.08 pm Play, 5.12 pm Play, 5.16 pm Play, 5.20 pm Play, 5.24 pm Play, 5.28 pm Play, 5.32 pm Play, 5.36 pm Play, 5.40 pm Play, 5.44 pm Play, 5.48 pm Play, 5.52 pm Play, 5.56 pm Play, 6.00 pm Play, 6.04 pm Play, 6.08 pm Play, 6.12 pm Play, 6.16 pm Play, 6.20 pm Play, 6.24 pm Play, 6.28 pm Play, 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FINANCIAL TIMES SURVEY

Tuesday March 13 1979

West Midlands

One of the nation's most self-reliant regions a decade ago, the West Midlands is now seriously considering the tactics being used elsewhere to cope with industries in decline. But though the recession has sapped confidence, it has fuelled demands that more should be done to provide new jobs and for greater delegation of Government decision-making to the area.

"THE WEST MIDLANDS suffers from a weakening industrial structure, lack of self-confidence, neglect or opposition from Government policy, and a poor public image in the outside world." Those are the words not of a critic but of the region's own economic planning council.

The council is seeking support for the creation of an industrial and employment development association to unite regional interests in the campaign for more jobs and "fair treatment" by central government. It is ironic that the West Midlands, regarded merely a decade ago as one of the nation's strongest and most self-reliant regions, should now be considering the tactics so successfully employed by areas like the North East where traditional industries were in decline.

Officials throughout the region responsible for promoting industrial development will be meeting next week with leaders of the Confederation of British Industry and the regional TUC to discuss how best to progress the West Midlands' case for new industry. They will gather against the background of the news today from the regional council of the CBI that the local economy has taken a turn for the worse.

According to a survey of local companies the strike by petrol tanker and road-haulage drivers has severely disrupted business activity. Home demand and capacity utilisation have both fallen and exports have come under greater pressure. Company liquidity, it claims, has

deteriorated further and wage pressures are increasing.

Unemployment in the region, at 5.4 per cent, remains below the national average of 5.9 per cent. But that is little comfort to a region that has become used to being the last to move into recession and the first to recover. The trauma of 1975 when the financial collapse of British Leyland, Chrysler and Alfred Herbert saw unemployment rise well above the national norm has undoubtedly aroused fears.

Worried

The planning council in evidence to support its case for a development association claims to have been "worried for almost a decade" now by evidence that the West Midlands is performing badly even by the unpromising standards of the national economy.

According to the Census of Production, the region accounted for 14 per cent of national employment between 1963 and 1974 but its share of investment in manufacturing fell from 12.9 per cent to 8 per cent.

The council points to the disproportionate dependence upon

just five key sectors: vehicles, metal goods and manufacture, mechanical, and electrical engineering. Those trades account for 70 per cent of manufacturing employment compared with 50 per cent for the nation as a whole.

"By and large the industrial sectors which dominate West Midlands industry are in trouble," the council maintains. Attention is drawn to the fact that in the case of machine tools, mechanical and electrical machinery, engines, jewellery and aircraft, employment is down by a third on the level of a decade ago.

The motor assembly and components industries, which are reckoned to offer direct employment for around 250,000 people in the region, are also under pressure from imports. "To complete the picture of a vulnerable regional economy, we know that the West Midlands has been slipping in the productivity, earnings and personal incomes leagues," the council declares.

The latest statistics show regional output per employee was 14 per cent below the national average. The rise in income from employment in the period, 1971 to 1978 was lower in the West Midlands than in

By Arthur Smith, Midlands Correspondent

any region of the UK.

Blame for the present predicament is laid squarely upon the regional policies of successive governments who have encouraged expanding companies to relocate in the assisted areas. The local CBI and the West Midlands Chambers of Commerce still complain about the alleged restrictive impact of the policy of awarding industrial development certificates.

The region argues that not only have its traditional industries been persuaded or forced to expand elsewhere but that it has been starved of new processes, plant and technology—hence the pattern of poor productivity, reduced investment and low earnings.

Ministers would attempt to counter such arguments by pointing to the switch in Government policy away from general regional assistance with the ending of the regional employment premium in favour of specific industry aid schemes. The West Midlands has benefited from the State financial support for companies like

British Leyland, Chrysler, Alfred Herbert, and the Meriden motorcycle co-operative.

Companies in the region have also taken full advantage of finance offered under the Department of Industry schemes to accelerate investment and to promote spending in sectors like machine tools and foundries.

Dr. Joseph Pope, Vice-Chancellor of Aston University and chairman of the planning council, acknowledges the shift in Government policy but disputes its effectiveness. He says: "My view is that regionally-biased assisted area expenditure still constitutes such a large proportion of the national resources available for industrial growth that it dwarfs industrial based selective spending."

Constraints

He maintains that the help for Leyland, Chrysler and Herbert has been more than offset by aid to the steel and shipbuilding industries which operate almost exclusively in

the assisted areas.

Dr. Pope says the planning council demands are modest: it does not want massive financial subsidies, merely the removal of the constraints which prevent natural growth and development. He sees the role of Government as setting the correct climate for industry with a great deal of the action necessary to regenerate the region coming from within.

"If West Midlands industry is seriously to mount a technological challenge to Japan, Germany and the U.S., I believe it is essential that more decision centres, are located in this region."

Dr. Pope has urged a greater delegation of executive authority to the West Midlands offices of government departments. He demands similar action by industry, trade unions and the banks. "It is in my view essential for the health of the West Midlands that decision making which affects the region comes back to the region. For too many companies whose major plants are in the West Midlands, the links of their London head offices with the City and the Government are stronger and more direct than those with their own product

development staff," he says.

Though opinions may differ about remedies, there is general agreement between industrialists and trade unions throughout the West Midlands that the region has had a raw deal and that perhaps more should be done to give muscle to the campaign for new employment.

Arguing the case for promoting the region as a unit, the planning council points out there is little benefit if five county councils, two new town corporations and five or six big cities are all beating the drums: "Seen from Japan or the West Coast of America, the West Midlands is a small place."

But the very existence of a number of bodies already promoting different parts of the region will make it that much more difficult to find common ground. There are bound to be suspicions that any new organisation might undermine local initiative and advantage.

Whether and how quickly the planning council is able to get its idea off the ground remains to be seen. But prospects of any significant change in Government attitudes to the region this side of a general election seem highly unlikely.

The Prime Minister was con-

fronted with the problems of the region on a visit two weeks ago to Wolverhampton. Mr. John Bird, Labour leader of the Council, in an appeal for new investment in the West Midlands, maintained that Wolverhampton alone had lost 15,000 jobs in 15 years. Another 2,000 redundancies had recently been announced and the Bilston steelworks with 2,300 workers was also at risk together with several hundred ancillary workers.

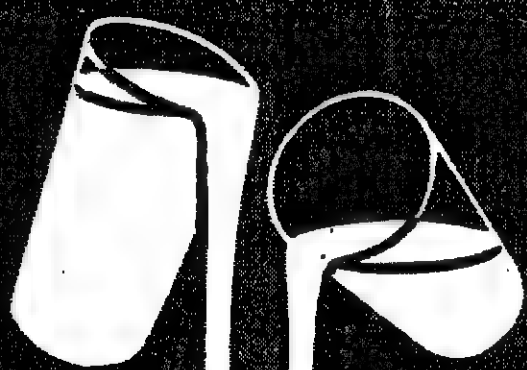
Doctrine

Mr. Callaghan played a fairly straight bat. He conceded that the region was passing through "a transitional period" but he recommended the doctrine of self-help urging local people to draw upon their traditions of industry and enterprise. It was important, he said, to keep the balance ensuring that older industries were kept up to date while seeking openings in the market for new industries.

It is on the issue of whether Government is allowing sufficient opportunity for industry to take advantage of new openings that the doubt rests, according to Mr. Steve Rankin, regional director of the CBI.

Dr. Pope has already suggested that the Government might be over-confident about the resilience of the West Midlands. He has warned: "Economic instability is alarmingly near for the region and surely it must be wiser for Government to act now rather than to let things drift until Birmingham is another Liverpool and Coventry another Jarrow."

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WEST MIDLANDS II

Potteries outshine other industries

THE POTTERIES can lay claim to being the region's most successful major industrial centre. Between 1970 and 1977 production increased more than twice as fast as for other consumer goods and no less than 10 times faster than in the rest of manufacturing industry. Investment and exports have been proportionately higher as well.

Putting this into figures, in these seven years output has increased by 57 per cent against 15.4 per cent for all consumer goods, and 3.9 per cent for all manufacturing industry. And while the wholesale price index moved 152 points, the value of pottery sales increased by a factor of three. In the last four years of the period alone annual sales nearly doubled.

About 60 per cent of the industry's turnover is in fine bone china and earthenware tableware and ornamental ware. Last year it was estimated to be worth about £225m. The same percentage of this sector's output was sold overseas, say £140m. Ten years ago the figure was only £25m. Progress of this order can be sustained only by sensible rationalisation, investment, production and marketing skills and, above all, by an experienced and committed labour force willing to retrain for the new jobs technical change brings about.

Before the 1939-45 war there were 700 potbanks. Today there are only about a tenth of that number of significant account. Of the many strands that have been shaping the pottery industry's destiny the dilution and supplanting of families by professional management has been very influential. No new family concern has grown up this century, but many have amalgamated or been taken over by outside interests. A number of tableware and other factories are controlled from America, for instance, while British companies such as Read International have diversified into sanitary ware and other sectors. Currently there is a merger

battle between the sanitary ware group Armitage Shanks and Norwose (kitchen furniture and double glazing) over H. and R. Johnson-Richards Tiles, one of the biggest tile factories in the world. The J-R board favours Armitage Shanks as making the better sense, as do several influential voices in the pottery industry. A merger would create an all-pottery group worth about £48m, among the very strongest.

This kind of rationalisation has thrown up two dominant domestic ware groups in Doulton (strong in bone china) and Wedgwood (mainly fine earthenware), and four sanitary ware makers which produce about 80 per cent of all that sector's output, with Allied Insulators dominant in its own specialised field.

The formation of bigger, more broadly-based and stronger groups has been necessary also to take advantage of new equipment and techniques needed to sustain competitiveness and the export drive. The restructuring of the industry into groups big enough to be able to make their way in the world has helped create a much more confident, aggressive and confident management class which has done more than most other industries to beat the competition, or at least keep it at bay.

Expansion

But expansion in capacity and product lines to meet world demand will now be more difficult to justify. The weakness of the U.S. dollar in its top markets, high interest rates, coupled with unusually high absenteeism—about 10 per cent across the industry—making for lower productivity, have been serious problems during the past year.

On top of that, secondary picketing at the docks, resulting in wares being held up, some orders cancelled and boats sailing without having been able to load consignments, have taken their toll. As examples, Doulton alone had £3m-worth of tableware held back—one ship sailed for Australia with 80 instead of 800 containers and warehouses are chock-a-bloc.

Sir Arthur Bryan, chairman of Wedgwood, split out the problems the other day in a review of the first nine months' trading.

Currency losses amount to more than £700,000, and higher interest charges and a weak dollar were largely responsible for a decline in profit margins. Higher prices can help mitigate the worst effects of these factors, but there is an obvious limit to this course if competitiveness is to continue. Although the underlying strength of markets remains, a lot of uncertainty among home and overseas buyers has been awakened by the recent spate of outside strikes, and was evident at the spring fair at the National Exhibition Centre last month. Although all of the 1m sq ft of space was taken up, more buyers were said to be present, and estimates of business down at around £10m were no worse than in 1978, many



people detected a change in the atmosphere, warning of a more difficult year.

In these circumstances leading tableware and ornamental ware makers who have been reorganising marketing facilities such as warehouses and outlets in North America, developing sales strategies, and are backed by modern production plant, can afford to be reasonably cheerful about the long-term future. Others are right to be more apprehensive. It is thought that any company with a turnover of less than about £1.5m may find the going too hard.

There is an exception to this, however. In the process of decay and renewal several specialist makers of limited production have saved themselves up and most are flourishing. The movement seems largely to stem from a rejection by leading designers and craftsmen of the big time. At its best their ware is truly a collector's item, in the mainstream of such designers as Doris Langmeier, or Royal Worcester Spode.

One of the biggest of the other sectors is sanitary ware. Though badly hit in the UK market by the cutback in new housing, it has been benefiting from the roundabout of homes modernisation and 'Do-it-yourself'. There has been a determined, and largely successful, drive to go up-market with new designs of coloured ware to offset dormant sales of white ware. However, while coloured sales may have been improving, this may be more illusory than real, for though a higher proportion of coloured ware may be coming out of the factories, this is only, or largely, because demand for whiteware has declined.

Most factories are continuing at no more than 75-80 per cent of capacity, with 70 per cent of output for the home market going into home improvements

and replacements. Until public sector building revives it is hard to see this sector of the industry regaining a full stride.

In fact sanitary ware makers in Western Europe as a whole seem to have been having a thin time, with export markets increasingly being contested by new indigenous factories. Others, like Nigella—one of the best markets—have collapsed, and there is little prospect of world demand improving significantly. In these circumstances last year's £14m-worth of exports at ex-works prices out of a £68m turnover for this sector was encouraging, and certainly better than most other European industries could achieve.

With nearly half the pottery industry's costs being paid out in wages, the current round of negotiations with the Ceramic and Allied Trades Union is likely to be influential in determining whether the industry as a whole will achieve the ambitious targets it has set itself in world terms, or whether 1979 will see a break in the upward graph.

Settlement day for the pay claim is March 23. Significantly the union is not asking for a percentage pay increase but a 'substantial rise'. It is believed to be thinking in terms of the 16 per cent going rate achieved in other industries. But the employers will be looking for a real increase in productivity, which has been falling, and a smart reduction in absenteeism.

Fortunately the pottery industry has extraordinarily good industrial relations, with never a strike worth mentioning so far. The tradition of disagreeing without the kind of action that paralyses whole sections of the motor industry is one of its great strengths, and a chief reason why it has been able to out-perform other manufacturing industries.

Peter Cartwright

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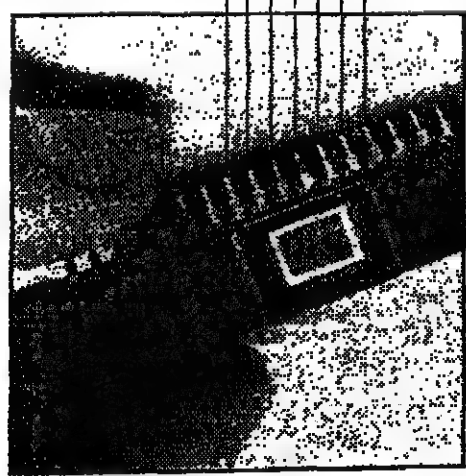
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Bright future for Exhibition Centre

LAST YEAR proved to be watershed for Birmingham's £40m National Exhibition Centre (NEC). The attendance of 908,094 at last October's Motor Show—1m more than the record for an Earls Court show—led to rest any remaining doubts about the centre's ability to draw in visitors because of its location 100 miles from the capital.

At the same time Birmingham City Council, which provided the bulk of the finance for the centre, finally took the decision to restructure the NEC's debt, relieving it of an accumulated deficit which, despite three years of operating surpluses since it opened, had soared to £8.1m by March of last year mainly because of interest charges now running at some £4m annually.

The deficit, together with the deficits and surpluses of succeeding years, is being taken into the general rate account, although Neville Bosworth, leader of the Tory-controlled City Council, says that the £8.1m has been met from unallocated reserves and that none of the burden will appear in this year's expected 16 per cent increase in Birmingham's rate demand.

Indeed, with the NEC already recording trading profits rather higher than forecast, city officials suggest that the cost to ratepayers of carrying the centre over the hump into net profits will be non-existent or negligible.

Except for a Central Government grant of £14m, the £39.6m

cost of the centre was raised by the council on the open market. Precisely in order to avoid imposing a burden on the rates, the NEC was charged with making capital and interest repayments from the moment it opened. Thus the centre has been at the mercy of market rate movements and irrespective of how and by whom the burden is carried, on present projections the accumulated deficit for the centre will still be over £14m before net profits start to make their expected appearance in 1980-81.

Not surprisingly, however, the city's action has been warmly welcomed by the NEC's chairman, Sir Robert Booth, who admits that otherwise the centre had faced having "its head water off" by interest charges.

Now, Sir Robert suggests, "by the mid-1980s you could say we shall be through the cloudbase and into the sunshine."

On performance to date, there is some basis for Sir Robert's optimism. While the first year of operations produced a trading surplus (albeit of only £108,000), that for the year ending last March, at £3.4m, was nearly £1.2m ahead of forecast. And despite the loss of the Toy Fair this year because of a problem over dates—and some paring of

tenancy periods by exhibition organisers, the trading surplus for this year is expected to be only a shade under £2m, rather than the £2.4m forecast.

So far the centre, set in a 350-acre green field site seven miles to the west of Birmingham, has housed 116 exhibitions and has attracted 5m visitors. With its million sq ft of space, which can be increased by a system of temporary structures, it is allowing Britain for the first time to plug firmly into the major European and other international trade exhibition circuits.

Exhibitions mounted to date include the International Spring Fair (glass and hardware), Interplas, the International Plastics and Rubber Exhibition (notable for the large presence of foreign buyers, who accounted for 34 per cent of the attendance); the Mining Exhibition and the International Business Show.

The international trade show circuit tends to be cyclical, with individual shows held every second, third or even fourth year. The result inevitably is some slack years for the exhibition trade globally, others which are very crowded. The year to March 1980 is expected to be a relatively quiet one in terms of the NEC's growth rate so far, and the centre is not looking to an operating surplus of more than £2.5m. But in 1980/81, observes Sir Robert, "our big problem is finding

CONTINUED ON NEXT PAGE

WEST MIDLANDS III

Manufacturers in cautious mood

CONFIDENCE AMONG West Midlands manufacturers is in short supply and there is very little prospect of it returning to the foreseeable future, according to many bankers and financiers operating in the region.

West Midlands firms show very little enthusiasm for pursuing opportunities for new investment—particularly as so many are only just finished trimming labour forces and learning to live more efficiently with a lower level of output.

The experience of the last three years has been to make industrialists more cautious about pursuing short-term trading opportunities. It is expensive to take on more labour only to have to lay-off workers or make them redundant when the contract is finished or the market turns down.

Opportunities for new lending are therefore few and intermittent and competition for new lending is tough among West Midlands banks and finance houses.

Barclays reports that while a number of companies have taken the opportunity to increase their borrowing facilities in the last 12 months, this has not resulted in any marked increase in actual lending.

Major companies with a borrowing facility of £2m and above are in some cases utilising only around 20 per cent of this, says a local director.

To some extent this is because companies are currently more liquid than in recent years. But this does not necessarily mean that there has been a marked improvement in trading—although the industrial climate is better last year and profits generally did show some improvement.

However, the higher level of liquidity is also explained by the increased level of deferred tax

being utilised by companies and by the incidence in the last few years of Temporary Employment Subsidy.

One Birmingham clearing banker who looks after the interests of a number of carpet companies in the Kidderminster area, says: "Some of these firms would have been forced to close but for the cash they received from Temporary Employment Subsidies."

Concern

Some may yet close when EEC regulations come into force under which larger groups seeking the subsidy may find their claims being processed in the more austere climate of Brussels rather than in Whitehall.

The higher utilisation of deferred tax through stock relief has also boosted company liquidity. However, local bankers are concerned that a false position may develop, with com-

panies seeking to maintain stock levels to avoid having to repay deferred tax. They suspect a number of cases where companies have brought in raw material stock to be on site on the day of the audit, only to sell this stock immediately the audit is completed—so as to qualify for stock relief.

But some bankers in the region are more concerned about the long-term effects on industries where individual companies which otherwise would have failed have been bolstered by subsidies such as the temporary employment subsidy. They recognise that a number of jobs in the region which would have been lost have been protected but stress that payment of TES can lead to unfair competition with the result that rivals that do not receive subsidies can come under pressure in turn.

Equally, industries are finding themselves maintaining more

companies in operation than is viable for the sector. They cite carpet manufacturers as a case in point. The effect of TES and deferred tax on earnings within the corporate sector has led a number of British banks to question the traditional methods of measuring gearing—the relationship of borrowings to shareholders' funds—and West Midlands bankers are no exception.

However, the improvement in liquidity and higher levels of retained earnings among a number of West Midlands companies cannot be explained away entirely by subsidies and greater utilisation of deferred tax. Banks monitoring the performance of their customers say that many firms are more efficient than in previous years.

They say there are companies managing to make profits on 70 per cent capacity when three or four years ago they undoubtedly would have been making losses. There are even extreme cases, particularly among the smaller concerns, where more profits are being made on two thirds of the capacity that were being achieved in the mid-1970s.



The importance of Midlands industry and commerce is reflected by an increasing number of British and overseas banking operations in central Birmingham

Exhibition Centre

CONTINUED FROM PREVIOUS PAGE

pace for everyone who wants come."

That year should include the Motor Show, for which negotiations are proceeding at a revised format to minimise the excessive over-crowding in the cars display which provoked considerable criticism; the International Exhibition and the Machine Tools Exhibition.

In that year the NEC is looking to an operating profit of £2m and hoping to make the first time, a sizeable profit in the size of its debt.

With a series of five- and ten-year contracts now falling into the centre's net, it is expecting other fairly full years in 1981/82 and is already booked to per cent of practical capacity. But in terms of meeting the NEC's prestige

an international level, its for coup is the securing of International Textile Machinery Association's exhibition for 1983, against stiff opposition from a number of other European centres.

The exhibition, considered to worth nearly £100m in foreign currency earnings to the country, will require the vision of 1m square feet of temporary space—equal to the size of the NEC's permanent site. To win the contract, had to build specimen temporary structures, to satisfy

ITMA organisers that the facilities could provide suitable conditions—an important factor being close control of humidity levels—for the Association's exhibitors.

According to the West Midlands Economic Planning Council, the NEC has succeeded in capturing 81 per cent of the international exhibitions regularly held in the UK and just over half of Britain's foreign exhibition business. And while there are only a half-dozen or so of the internationally periodic shows on the scale of ITMA, Sir Robert sees the prospect of substantial further growth for the NEC in Britain's own international shows.

Improvement

British industry currently spends only 6.7 per cent of its promotional budgets on exhibitions. Though this is an improvement on pre-NEC levels of 3.7 per cent, it compares very badly with European levels. West German industry, for example, allocates some 28 per cent of promotional budgets to the show circuit. Its importance is further reflected in the size of European exhibition facilities, notably the nearly 5m square feet of permanent space in Hannover. Clearly, persuading British companies into similar thinking, and thus boosting

their exhibitions spending from the current level of £88m a year, forms a major plank of the NEC's growth strategy.

The NEC is following other avenues towards boosting occupancy and profits. Two weeks ago it was the setting for the International Showjumping championships; it is being used for concerts—Mike Oldfield and Johnny Cash are among those appearing—and to this end it has invested £2m in 9,000 movable seating units to enhance the centre's flexibility.

Trade exhibitions, however, inevitably will remain overwhelmingly the biggest earner. Given the inauspicious timing and circumstances of the centre's debut—the bill for it was more than double original estimates and it began operating at a period of marked international recession—the pressures on the NEC to maximise revenue have been considerable.

As a result, when Sir Robert took over in mid-1977 he cut staffing by 15 per cent to 240 and added, from March of last year, 38 per cent to rent charges which had already risen by over 50 per cent the previous year. Increases now, says Sir Robert, are "purely a reflection of movements in inflation."

One of the difficulties involved in rent-finding is that exhibitors work two years ahead, so there is inevitably scope for

projections to go wrong. But despite the increases, which cumulatively have brought NEC rents much closer to levels prevailing in Europe, the crowded calendar for 1980-82 does indicate that the NEC has not exceeded what the market will bear.

The impact of the centre on both the economic and social life of the West Midlands has been considerable. A two-year study undertaken by Aston University for the Department of the Environment and published last year concluded that the centre had created 1,200 full or part-time jobs and a further 1,100 casual jobs—mainly in the hotel and catering trades—and brought spending by visitors and exhibitors in the area of £21.8m in 1976-77 alone, with the figures since then substantially higher.

NEC officials say that during the past six years the amount of hotel accommodation in the NEC's catchment area—considered to be within a radius of 30 miles—has more than doubled from 6,000 to 16,000.

The centre is now well served by a motorway network which comes almost literally to its door, and British Rail has built a 55m rail terminal on the main London-Birmingham line giving access to the centre by covered walkways.

John Griffiths

Comparison

The smaller companies in particular seem to have fared better than their larger rivals during the recession. They have found it easier to implement efficient production techniques and, more importantly, to trim labour forces, a much more costly and time-consuming exercise for the very large companies.

It is not surprising therefore that some bankers say their smaller customers had fewer problems during the recent road hauliers' dispute. It was much easier for a small carting firm to arrange privately for a lorry load of scrap to be delivered than, say, for ICI to cope with shortages in the vast amount of chemicals this group uses each week.

The hauliers' dispute appears to have had little immediate impact on many companies within the region, and banks and finance houses report that there has been no sudden uplift in demand for funds from companies in the aftermath of the stoppage.

Industry and commerce however is more concerned about the medium and long-term effect on exports as a result of the dispute. While reasonable levels of production were maintained generally during the stoppage, export orders were

badly hit and manufacturers fear that there will be a subsequent loss of confidence among their overseas customers.

One Birmingham banker reports that he knows of a manufacturer who pulled out of negotiations for an export order during the hauliers' dispute because he believed he could not guarantee delivery dates. Failure to have met agreed delivery times would have jeopardised future business with this particular overseas customer.

The importance to Britain of the West Midlands region—the engineering of the economy as it is sometimes described—is reflected in the increasing number of overseas banks that have taken office space in the centre of Birmingham.

There are now almost 50 British and foreign banks, and fringe banking operations with offices in the Birmingham area, while in terms of numbers of local directors alone Birmingham represents the most important banking area—outside of London—to clearing banks like Barclays.

Manufacturing dominates the West Midlands and therefore also tends to dominate various banks' portfolio of customers irrespective of the nationality of the parent bank. Five key manufacturing sectors — vehicles, metal goods, metal manufacture, mechanical

engineering and electrical engineering — account for 68 per cent of the region's output, compared with 45 per cent nationally.

While none of these sectors has enjoyed the best of trading climates over the past few years the banks looking after their finances report that there has been no marked upsurge in companies failing.

This is due largely to the greater efficiency attained by companies and here the banks have provided a useful service through their advisory back-up teams which have been greatly strengthened in the region over the past few years.

The major clearing banks have long been entrenched in the Midlands where two of them, Lloyds and Midland, originated. Barclays and Westminster also have strong regional offices in Birmingham, where Barclays Merchant Bank is also represented.

Many of the big London merchant banks also have regional offices while the contingent of foreign banks which joined in the rush to come to the Midlands following the boom in new issue and takeover business in the early 1970s are represented by such names as Bank of America, Hongkong and Shanghai Banking Corporation, American Express and Banque Nationale de Paris.

The Banque Nationale pro-

vides a local link between customers in the West Midlands, and the bank's London office and its parent in France. It sees its role not just to serve French subsidiaries operating in the region but also to capture new business from the larger multi-national companies in the West Midlands.

Like other banks, it reports that trading generally is dull although it has recognised an uplift in demand from French companies in the area seeking investment funds. These tend in the main to be warehouse and distribution operations and demand for funds is a reflection of the sharp rise in imports into Britain last year.

There are other areas of banking in the West Midlands where business has improved. Demand for leasing finance is strong and rising, while Hill Samuel reports a rise in companies seeking acceptance credit facilities. It says finance directors are more conscious of the various methods available of raising credit and competition on interest rates among the banks is strong.

However, investment confidence generally among industrialists is poor. But the banks and financial institutions will continue to do a vital job in the region through their important advisory and back-up services.

Andrew Taylor

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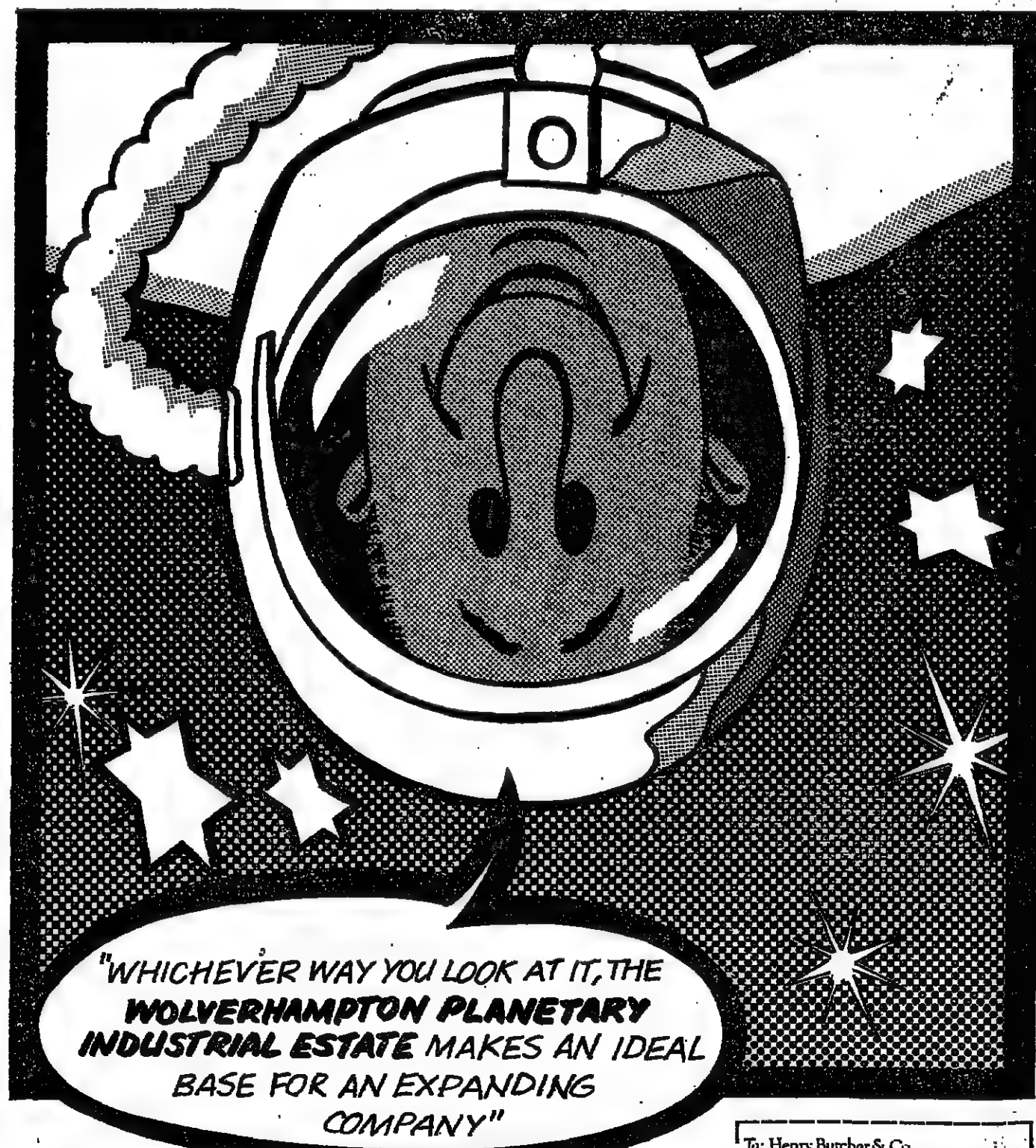
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WEST MIDLANDS IV

Rocky road for the motor plants

A DETERMINED optimist might say that motor industry prospects in the West Midlands are looking better than for some years. The pessimist could take the view that the area has more than its fair share of sick companies. As usual, the truth probably is somewhere between the two extremes. Certainly the helterskelter descent into disaster has been halted but how long will the reprieve last?

The outlook at BL, formerly British Leyland, for example, seems to change week by week depending whether or not there is an industrial dispute which looks likely to blow up into a major problem. And BL is heavily represented in the West Midlands. Its main volume car plant, the Austin Morris factory, is at Longbridge where Minis and Allegros are assembled and engines are made for Maxis, Princesses and the Sherpa vans as well.

Compared with the Longbridge plant, which employs 19,000, the other Austin Morris plants in the West Midlands are relatively small—although they are medium-sized by the standards of any other industry. Draws Lane employs 3,200 making component assemblies such as steering systems, suspensions and final drive systems. The Common Lane plant backs onto the one at Draws Lane, employs 2,000 and builds the Sherpa van which, although a commercial vehicle, is the responsibility of Austin Morris.

The Coventry engine plant has 3,200 employees who recondition car engines as well as turning out diesel engines for marine and industrial purposes. As with BL, the situation at Chrysler is still hedged around with various uncertainties but looks decidedly brighter than a year ago. The dramatic intervention of Peugeot-Citroen of France (PSA) with the purchase of Chrysler's European operations took the industry completely by surprise—and the UK Government as well—and could be indicative of future major structural changes in the industry.

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Motor component suppliers in uncertain mood

PROSPECTS FOR motor components suppliers in the West Midlands are mixed and there is a prevailing mood of uncertainty. It could hardly be otherwise with the continuing doubts about the long-term size and shape of the two major assemblers in the region—B.L. and Chrysler.

Generalisation about a sector with such diversity is difficult: not only does the number of companies supplying the assemblers run into many hundreds, but they may manufacture for wide spread of other industries and consequently have a dependence varying from almost nothing to 100 per cent.

Though there can be no ignoring the reliance of the region as a whole upon the motor industry, the actual numbers involved can only be estimated. According to a regional study conducted by the local office of the Department of Industry, the car assemblers employed 99,900 in 1975, with another 103,400 components workers directly dependent.

The combined total represented nine per cent of all employees in the West Midlands and 18.3 per cent of those in manufacturing industry. Such statistics, however, ignore people employed in the important commercial vehicles and tractor industries, and the thousands of concerns providing materials and support to the components companies.

The Midlands components industry has grown, prospered and become an important exporter largely on the strength of the domestic vehicle assemblers. They provided the steady volume of orders from which it is possible to launch into new products and overseas markets, at that base is steadily being eroded.

solace

Car output last year, despite 20 per cent increase in total demand at 1.68m vehicles, slipped 7 per cent to little more than 1.22m. Just seven years earlier British companies were turning out 1.9m cars. Industry forecasts suggest performance will be little better this year.

Similar problems face the commercial vehicles sector where output last year dropped per cent to 383,000 regardless of a nearly 14 per cent jump in the UK market. Production this year is expected to be only marginally improved at around 400,000.

Even the tractor industry, which has offered some solace

Midland component companies in previous difficult times, shows little promise. The twenty-based operations of assey Ferguson, the Canadian multinational, have been hit hard by the latest world downturn in sales of agricultural tractors. Components suppliers believe the trough may have bottomed but see no prospect of a bounce back to former levels.

Nor does the profitable parts placement market appear to offer the growth potential demonstrated over the past decade. The upsurge in sales of imported cars means replacements will increasingly be supplied from abroad. If the cars brought in by Ford, Vauxhall and Chrysler are included, imports already account for nearly half UK sales. One gloomy forecast circulating in Whitehall indicates that foreign cars may have grabbed 81 per cent of UK new registrations by 1981.

The year has hardly got off to good start for the components industry. Suppliers report that L Cars' weekly offtake of com-

ponents has been running at around 10 to 15 per cent below schedule, largely because of industrial disputes which have included the petrol and road haulage drivers' strikes and a six-day walkout by the 20,000 workers at the Longbridge plant, Birmingham.

At Chrysler, the political and economic troubles in Iran have had serious consequences for the Stoke engine plant, Coventry, which supplies component kits for assembly by the Iran National Car Company. Production was halted at the beginning of last month and nearly 1,500 Midland workers given notice of possible redundancy.

Disruption of the Iran contract, which accounts for nearly 50 per cent of output at Stoke and is worth more than £100m a year, has serious implications not only for Chrysler but also for local components suppliers.

Perhaps one of the most dramatic illustrations of the effects of the decline of the UK assembly base is provided by the tyre industry. Other factors are clearly at work, but the inroads made by foreign car imports have contributed to the present excess capacity and need for rationalisation. The Midlands has not escaped the cuts, with Goodyear slimming its Wolverhampton workforce and Dunlop seeking a cut of 550 jobs at its Birmingham factory.

Tyre producers are expected to make early representations through the British Rubber Manufacturers' Association to the European Commission about alleged dumping by Comecon countries. Cheap imports have merely compounded problems caused by the introduction of steel-braided radials, a technological advance that has almost doubled the life of a tyre to around 40,000 miles.

The castings industry is also suffering from the twin impact of weak demand for cars and tractors. Birmid Qualcast is to make 180 workers redundant at its motor cylinder plant, Birmingham, from the end of May in only the latest of the rationalisation moves which now seem inevitable in the foundries sector.

The response of Midland components companies to the present challenge is likely to depend on which of the three broad categories in which they can be grouped.

Opportunities

There are the majors, like Guest Keen and Nettlefold (GKN), Lucas and Automotive Products (AP), which are able to take advantage of their technological expertise in breaking into the growing U.S. and European markets. With the move by the American corporations towards the smaller, less fuel-hungry cars, GKN is establishing a U.S. plant to manufacture its universal joint products; Lucas is to produce electronic injection equipment; and AP is to supply clutches.

There are also opportunities for specialist companies which do not need to originate new products but are prepared to copy the best European practice. Britain has a range of companies which can take advantage of demand whether at home or overseas for items such as oil seals, rubber products, floor coverings and trim materials.

The third category, where Midlands companies seem at most risk, is in the supply of the thousands of one-off subcontract parts for which the region has become noted. Few people are able to identify exactly where and at what price the components will be provided; the only certainty is that

some supplier can be found to meet the requirement.

The study undertaken by the West Midlands office of the Department of Industry offers little encouragement that companies seeking to diversify away from the motor industry or into exports will meet with much success.

Obstacles

Of the companies interviewed, only 7 per cent had been partially successful in moving into non-car work. Reasons given for failure included the lack of experience by sales staff, plant and machinery geared too closely to specialist car components, and inability to find high volume alternative products.

On exports, two-thirds of the companies interviewed did not sell overseas and, of those that did, three out of five exported less than 10 per cent of total output. Obstacles to expanding markets abroad included the problems of international competition and spare capacity; the fact that most car assemblers preferred to buy components from their own local suppliers;

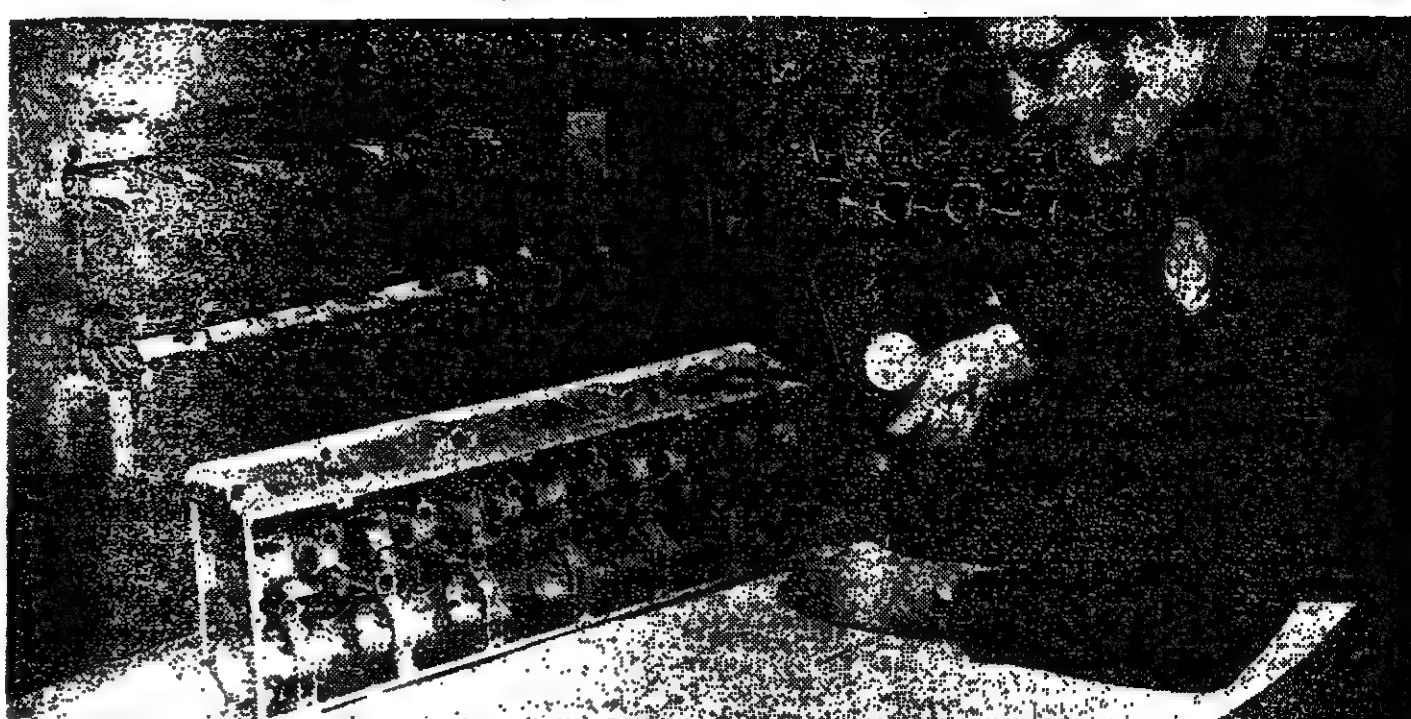
large companies might prefer to manufacture overseas rather than export directly.

Rubery Owen, although large, is typical of the companies at the heavier end of the industry making bulky castings which are costly to transport. Mr. David Owen, managing director of the holding company, is one of those who stresses the need for new investment to be made now into the vehicle assembly industry if Midlands companies are not to suffer.

Around 60 per cent of the output from his motor components division at Darlaston goes to B.L. In the past 18 months the labour force has been cut by 30 per cent, largely as the result of anticipated lower demand from the State-owned concern.

Companies like GKN, Lucas, AP and Associated Engineering identified the trends early and have the know-how and muscle to move into new markets. But for many Midlands components companies any further deterioration in the position of B.L. or Chrysler could have serious implications.

Arthur Smith



The castings industry is among components suppliers cutting back because of weak demand. Here, a high-pressure die-casting for Rover is checked after being made

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To begin with, what do we mean by an 'ordinary' car. Simply one that has been developed and refined from 'traditional' engineering and design concepts.

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|----------------------|-------------------------|---------------------------|--------------------------------|---------------------------|---------------------------------|---------------------------|
| | MPG | Litres per 100 Kilometres | MPG | Litres per 100 Kilometres | MPG | Litres per 100 Kilometres |
| ALPINE LS/GL 1294cc | 31.0 | 9.1 | 37.7 | 7.5 | 28.5 | 9.9 |
| ALPINE LS/GLS 1442cc | 25.2 | 10.8 | 30.8 | 7.1 | 31.0 | 9.1 |

THESE FIGURES ARE THE RESULTS OF APPROVED TESTS AS RECORDED BY THE DEPARTMENT OF ENERGY OFFICIAL FUEL ECONOMY CERTIFICATES

Job prospects

CONTINUED FROM PREVIOUS PAGE

Bennett, convenor, Automotive "horror stories" which have come out of one or two well publicised disputes are untypical of the majority of pay negotiations in the region. These have, he says, been accomplished without disruption and with levels of settlement which can be defended as responsible.

In the engineering industry the annual national negotiations in which so many West Midlands employers and workers have an interest are now in progress. The Engineering Employers Federation says that the total claim, for £20 per week increases in the basic craft rate and a range of other benefits, would cost the industry up to 50 per cent.

The negotiations are being handled for the first time this year by Mr. Terry Duffy, now president of the AUEW and formerly a West Midlands official. He is a strong believer in the equalisation of working conditions between the manual workers whom he represents and white collar staff. Consequently condition elements of the claim, most of which more often than not disappear in the early stages of negotiation, have a particular importance this year.

Alan Pike

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Engineering gloom

ACCEPTING ALL that can be said about the resilience, enterprise and diversity of engineering industries in the Midlands it is nevertheless depressingly true that only one in four concerns is working at full capacity, nearly half at 80-100 per cent and a further one in four at only 60-80 per cent. Nor is there any firm indication that this situation is likely to change very much this year.

Recovery on any general scale is likely to be slow and painful. In the past few years the Midlands has been falling behind national averages in terms of investment, output and earnings and the trend shows no sign of changing. The vehicle industry, to which its fortunes are closely linked, has been performing poorly. There is certainly little to be cheerful about. Yet a year that started with so little prospect of a silver lining and saw—beside road vehicles—the tractor and farm equipment industry in difficulties, as well as large-scale redundancies in the tyre factories, the closing of steel stockholding interests, the

collapse of carpet companies, and sundry other misfortunes nevertheless ended for most people, including those making capital plant, better than they had thought possible.

Engineering and allied trades, together with metal manufacture, employ one out of three of all 2.2m working in all industries in the region. If the net is more widely cast to include vehicles it would embrace two in three of all those in manufacturing industry and account for more than two-thirds of total output.

Evidence

New technologies are knocking hardest at the doors of the engineering-based industries, so that in any case the Midlands would be likely to have to face more difficult problems in adapting than most other regions. It is arguable that neither in investment, nor retrenching, nor acquiring necessary management skills is the pace of change fast enough.

On the other hand there is evidence that despite all the redundancies and problems of lost or changing markets, adaptation is gathering pace, that new products and new jobs are being created. In the past year the numbers employed in all industries has gone up just a little, by 10,000 or so, but enough to remind one that the years of new enterprise is working to good effect.

Inevitably the Midlands indus-

trial scene is most heavily coloured by its motor industry, from which sprang its post-war prosperity—a veritable larder of successful enterprises that was raided by one government after another to try to breathe new life into the development areas. What so clearly emerged in the course of time is that one cannot strengthen the weak by weakening the strong. For example, both Linwood, the taker, and Coventry, the giver, as centres of motor production have had to be propped up. And the only reason why more of the motor industry has not had to be shored up financially to preserve jobs is because it has sought its future—and very successfully—in overseas markets.

Besides being the country's greatest centre for vehicle and component production, the Midlands is also a great contracting region for UK and, to a developing extent, overseas based companies, especially American. While there has been a good deal of diversification among companies which traditionally had been tied almost exclusively to the vehicle industries—cars, trucks, tractors, motor cycles, and cycles, besides fork-lift trucks and construction equipment—there has been a counter-trend by new groups to go into component production for the European replacement market.

Birmingham and Coventry and their hinterlands are the principal centres for motor

vehicle and tractor production, as well as for considerable sector of the machine tool industry. The strikes and industrial action in these two places have been well documented—too well documented, many would say, to the extent that it has given an entirely false picture of the region, especially in the foreign press.

The further one gets away from the motor industry the more promising the industrial prospect becomes in many instances. Even on the boundaries of the region, in Hereford, famous for its pedigree bulls, world renown also attaches to its nickel plant, whose products fly round the world with Rolls-Royce aero engines, and to a leading maker of compressed air dried refrigeration systems.

Worcester is not only the home of Royal Worcester Spode and the much sought after ceramic figures but the birthplace of a new aluminium super-plastic light alloy that is attracting attention by the U.S. car producers desperate to reduce weight to improve fuel economy. It has also seen the revival in the fortunes of Redman Heenan International, one of the city's chief engineering companies. Its recently introduced advanced dynamometer for test purposes has captured the interest of Chinese and American customers.

To the north-west is Stafford and Stoke-on-Trent—the Potteries. Besides housing one of GEC's key plants, Stafford also

sends sophisticated laboratory and other glassware round the world—engineering in a plastic material. Further west in Shropshire is Telford, a new town which like its counterpart Redditch to the south-west of Birmingham has attracted a variety of engineering industries.

Coming closer to Birmingham, on its western flank, is the engineering complex of the Black Country where one can get anything from an atomic energy pressure vessel to a pin. Even Birmingham has a thousand different engineering-based enterprises, while Coventry's biggest single employer is GEC Telecommunications. Courtaulds has a big textile and research establishment and Dunlop a very advanced engineering company in the city.

Innovation

Although the dispersal of expansionist elements of industry to development areas has robbed the Midlands of much-needed new growth points, its reputation for innovation and adaptation remains high. But neither this nor diversification has been sufficient to compensate for the inroads of generally excellent competitive products made by relatively cheap and docile labour in the Far East. It has needed both massive injections of capital into the motor, machine tool and motor cycle industries to keep them alive, as well as substantial grants for new buildings and equipment in some of the key industries.

The most successful Government-aided scheme was that for ferrous foundries, which finally peaked out at £50m, indicating projects of around £300m, perhaps half of which related to the Midlands. Certainly the scheme has been extensively taken up by ironfounders, who contribute half the national total output. The non-ferrous scheme, worth £20m in grants, was slower off the ground and applications can still be submitted until July. Half those so far received are from the Midlands. Three-quarters of the 70 applications for projects valued at £19m under the drop forging scheme have also come from the Midlands. This is a smaller scheme involving £6m grants. All of them offer 25 per cent of approved expenditure on plant and 15 per cent on buildings.

The final result should be to revitalise important sectors of Midlands engineering.

Among other Government initiatives has been the help for small companies being masterminded by Mr. Harold Lever, Chancellor of the Duchy of Lancaster. In Birmingham the other day he pledged to turn them into magnets for investment and talent. "The dice has been loaded against them, not out of spite, out of benevolence," he admitted.

This is good news. Some 27 of every 100 establishments in the Midlands employ 11-100 people, equal to 30 per cent of all manufacturing employment. The various schemes have helped to bolster a sagging Midlands economy, and some are actively beginning to produce results in the shape of more competitive or new products, and to help open markets. They are not enough, however, to generate the tempo of change necessary to restore the Midlands to its erstwhile pre-strike and prosperity. The amount of financial help per head, behind that granted to other regions, and claims for it to be increased have been unsuccessful.

In the circumstances, setbacks caused by industrial action, and especially the lorry drivers' strike, have widespread and damaging effects. Medium and small businesses, which are members of the Engineering Industries Association, and the seed corn of future prosperity, were complaining the other day that the strike had led to a fall in orders, and therefore of profit for investment, while high costs of borrowing made investment targets even harder to hit. In addition the aftermath of the strike had made it difficult to replenish stocks used during its duration, and there was also a shortage of vehicle parts to keep company vehicles on the road. Most thought it would be several months before the pre-strike situation could be restored.

In all it has been a gloomy start to the year for those—and there are many—who have to rely mainly or solely on home market. Not even the multi-product, multinational engineering groups are willing to risk making a firm prediction of what the future may hold.

Peter Cartwright

Businessland U.K.

—A handful of facts

Objective facts for companies considering relocation or expansion projects:-

FACT

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FACT

Britain's busiest motorways meet right in the heart of the County. Only 90 minutes from London by rail, with a station at the National Exhibition Centre (adjoining Birmingham International Airport)—the country's shop window to the world.

FACT

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FACT

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FACT

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FACT

Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. The seven districts of the County offer attractive lifestyles in housing, education and recreation.

CENTRAL SOURCE OF INFORMATION

The Industrial Locations Information Service works closely with the local Estate Agents. For current property lists, contact:-

Ian McDougall, Tel: 021-300 7136

Industrial Promotion Officer

**Industrial locations
information service**
West Midlands County Council,
County Hall, Lancaster Circus,
Birmingham B4 7DJ

County of West Midlands



RUBERY OWEN is as synonymous with the motor industry as the motor industry is synonymous with the West Midlands. A major supplier of motor components, this privately-owned group is now under the management control of the fourth generation of the Owen family.

It is a company that has enjoyed mixed fortunes over the years, though it was not until 1970, when legislation required greater disclosure of financial information by private companies, that a real assessment of the group's performance could be made. Then, it emerged that trading profits were £1.5m for 1967-68 on sales of £59.2m. Now, 10 years later, earnings are unlikely to reflect a growth rate to compensate for inflation. The 1977-78 figure, yet to be announced, will show an increase on the previous year, but that was a period when the group was re-emerging from heavy losses, earning profits of £1.8m.

During the 40 years the group was under the benign direction of Sir Alfred Owen it expanded rapidly with its interests ranging from nuts and bolts to axles, wheels and hydraulics. It was a period when paternalism was still an almost unquestioned mode of management and when glamour pervaded an otherwise unglamorous assortment of activities as a result of Sir Alfred's support for the BRM racing team.

Today, however, the money-eating motor racing activities, which never managed to sustain other than brief moments of glory, are sustained by Sir Alfred's sister and brother-in-law, and a number of activities have been sold off, leaving Rubery Owen in a much more streamlined shape. Compared with a heyday figure of more than 18,000, the total number of employees is now fewer than 10,000 worldwide, with 7,500 in the UK. And where Sir Alfred, who died in 1975, held the group close to his chest, his

son David, now its chairman, would be only too happy if the right conditions were to combine to enable Rubery Owen to go public. Clearly a private company of Rubery Owen's stamp, with a large appetite for funds for capital investment, is a heavy burden and very demanding on family resources.

Yet David Owen remains surprisingly optimistic, both for his company and for the region as a whole. It is, he says, "good to see British Leyland re-emerging as a positive force," a situation of no small significance to Rubery Owen given the considerable business that has existed between the two for many years. This is particularly so with the Daimler company, formed in 1906 out of the original Rubery Owen company and about 80 per

PROFILE

cent dependent on the motor industry with about 65 per cent of its production of wheels, axles and other components going to BL.

However, Daimler has not escaped the effects of competition, recession and reduced output in the motor industry and in the past 18 months or so has had to reduce its labour force by 20 per cent. David Owen has complained that not enough is being done to maintain Britain's position as a vehicle assembler and has argued that the country is not taking the five-to-ten-year view, with the consequent need to start investment now.

But if BL's position is giving David Owen cause for some optimism, he considers that nuts and bolts and other industrial fasteners "must be an area of concern." He suggests that "the basic problem is overseas competition based on low steel prices. I don't think that British manufacturers are less efficient." Fasteners also remain a key element in Rubery Owen's pro-

ducts, with customers including not only BL but Ford Vauxhall and others such as Seddon Atkinson, the truck manufacturer.

The retrenchment that has taken place at Rubery Owen over several years has been designed specifically to slim activities down to areas where David Owen feels there are particular strengths. Therefore two weaker areas have been sold off in the past two years—the Conveyor company to Coventry Climax in 1977 and the Kartrite subsidiary to Ferranti in 1978.

David Owen says of these moves that they were in response to his company having "over-diversified." He had tried therefore to concentrate on the more successful lines. To do so had not been possible using finance raised, for example, by a rights issue, since the company was private, so sales of assets had been necessary. "It is a policy that personally goes against the grain, but I realised that it had to be done," he says. And he also makes the point that Rubery Owen had not been able to go public because it was realised that "we weren't attractive enough until we had completed restructuring."

Part of that restructuring has led to expansion of agricultural equipment interests, a move which David Owen maintains has reduced the group's reliance on the motor industry. He insists that agricultural machinery is a very different market from the automotive one and, in fact, the manufacturing and distribution activities in this field now comprise the group's biggest division. Just ahead of the once-dominant Daimler-based motor component business. Further developments have been a range of valves produced by Rubery Owen Hydraulics for sale outside the motor industry.

"Basically, what we have tried to do is invest in strong areas in the motor industry and outside," he says. For the past

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IMI a barometer of industry

Mr. Eric Swainson, managing director of a company with £20m turnover and 33,000 employees, management has made more difficult in years: "I am not advocating a return to Victorianism, but I do believe management needs more power to encourage good performance to discourage bad. The more a manager can deploy the incentives he can offer very small."

complaints of the lack of sympathy for industry and the fact management is forced into an environment where an excessive amount of time is consumed by industrial relations problems, chief executive of IMI, Mr. Swainson's views weight. They are expressed calmly, and reflectively, to be expected from a man with a first in metallurgy and the research department hat was then ICI metals in 1946 and acquired management skills through experience at the sharp end of industry.

concern with the wider issues that confront management in part from his two-year term as chair of the West Midlands of the Confederation of Industry. It is significant that IMI, an international company with overseas subsidiaries accounting for around 20 per cent of turnover and 80 manufacturing plants throughout Britain, should be a force within the region. The company headquarters in at the Witton site, Birmingham, a 230-acre industrial complex set amid the back of Aston only a few red yards from the famous football club. A number of company's 37 largest subsidiaries, whose activities range from the collection of scrap to the production of dedicated components for lift, are based at Birmingham.

entity

was formed in 1963 as an old company for ICI's interests in non-ferrous metals. In the ensuing years it was diversified to a completely separate entity. The company has to strengthen its position in additional operations such as manufacture of semi-conductors—tube, sheet, and wire—from copper and alloys and "new" metals like titanium.

However, because such business is highly competitive, IMI has also moved into products with higher added value requiring more fabrications. The decision in 1966 to buy IMI as a public company with ICI retaining the of the equity made expansion easier. The notable purchases. Enots and Norgren Ship International, both of which in the compressed air sector. An announcement in October, that ICI was to sell its 68 per cent holding in public for £88m, though a surprise at the time, a natural move. ICI made that its role was primarily industries. Products include

that of an investor: there was a logic to concentrating activities in the chemical and related fields, leaving IMI to go its own way.

Mr. Swainson maintains that the ICI divestment has made very little change. The few services provided by ICI have been replaced. "We do have more freedom to operate and make decisions more quickly. But even that sounds rather grandiose. Our investment plans remain the same and it has not really changed our view of operations."

He points out that the management structure at IMI was already much different from the centralised pattern usually associated with ICI. Along with the policy of acquisition and expansion over the past decade has gone a commitment to decentralisation with line management assuming authority and responsibility.

PROFILE

Operations fall within the purview of some 50 subsidiary companies, each with a managing director and local Board or management committee. Such local teams will have six to eight members representing, for example, marketing, production, finance and product development. They work within an agreed budget with certain constraints upon purchasing, personnel policies and research and development.

"One of the virtues of our structure is that executives get experience of general management at a relatively early stage of their career. These are usually people in their thirties who, in addition to their own speciality, are confronted with the problems of other parts of the business. Under a centralised system it may be many years later before executives get such a broad vision."

Mr. Swainson underlines the importance of local control: "We try to make the line manager who bears the profit responsibility the prime mover, but he can call upon central services when required."

IMI results for the calendar year 1978 announced just two weeks ago showed that sales had broken the £500m mark for the first time, at £524m. In spite of an estimated 5 per cent increase in real output, margins were trimmed and pre-tax profits slipped £2m from the record £34.2m achieved the previous year.

The results reflected the mixed performance of the various IMI companies which are usually grouped into six broad areas: building products, heat exchange, fluid power, general engineering, zip fasteners, and refined wrought metals.

The building industry takes more than 20 per cent of IMI's products, which range from copper tube and fittings to taps and showers.

Also performing well is the heat exchange sector which produces equipment for the chemical, aircraft and electronics industries. Products include

radiators and oil coolers for cars and commercial vehicles, and air-conditioning and refrigeration equipment.

The IMI fluid power group is offering an increasing range of pneumatic components to take advantage of the growing demand for such systems. Both output and profits increased last year, with CA Norgren, in the U.S., expanding orders by 20 per cent. The recent acquisition of Whittaker Hall, renamed IMI Fluidair, has added rotary compressors to the range.

More than 20 per cent of IMI's total sales go to the engineering industry and the company claims scarcely a British car, washing machine, or television set does not include one of its components or raw materials. Results last year were mixed but an area of recent expansion—special purpose valves—provided one bright spot. Success has been achieved in winning orders for North Sea oil installations. Acquisition of Samuel Birkett, with an annual turnover of £3m, has strengthened the company's position in safety relief valves.

Elroy Ammunition, a name known to shooting enthusiasts, had a poor year under pressure from weak demand and intense competition, largely from France and Germany.

IMI has a 50 per cent share in LF/Opti, which is among the three largest producers of zips in the world with factories throughout Western Europe, North America and the Far East. Markets have been hit by increased imports of finished clothing, and some 1,200 jobs were cut in Europe last year. Losses were suffered in some important areas while profits fell sharply. In others, Sir Michael Clapham, the IMI chairman, has warned that "further retrenchment and rationalisation will be necessary."

In the refined and wrought metals sector, IMI is determined to continue investment in order to remain competitive. One area where output will be expanded is in titanium, the demand for which has increased dramatically with the upturn in the aerospace industry. IMI is the sole UK producer of the metal.

Looking to the development of IMI over the next 10 years, Mr. Swainson does not think there will be any major changes in activities, but the balance will be different. Zip-fastener operations, for example, are likely to be reduced in Europe but show some growth in the Far East.

Expand

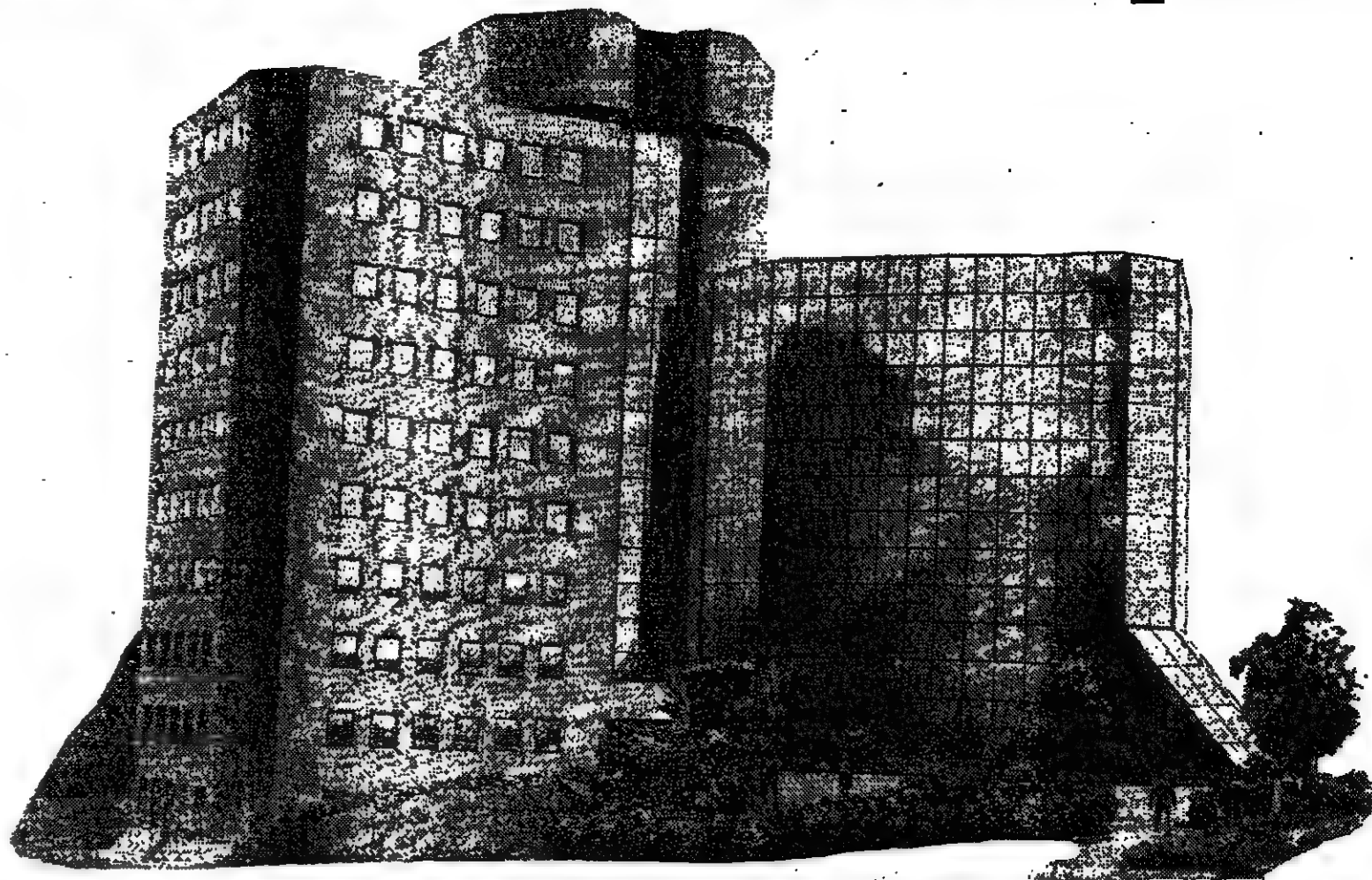
Two trends which he identifies are the continued move towards products involving greater fabrication, and the drive to expand overseas sales. Direct exports are already close to £100m and when sales by overseas subsidiaries are included, the total moves to more than £200m, or around 40 per cent of IMI's turnover.

Mr. Swainson maintains that any expansion abroad will not be at the expense of the UK. However, he points out that, because IMI activities overseas are already concentrated in higher added-value products, development there would also supplement efforts to expand the more profitable lines.

Interest in the company's performance will not be confined to the West Midlands as IMI, with its spread of activities, is often regarded as a good general barometer of industry.

Arthur Smith

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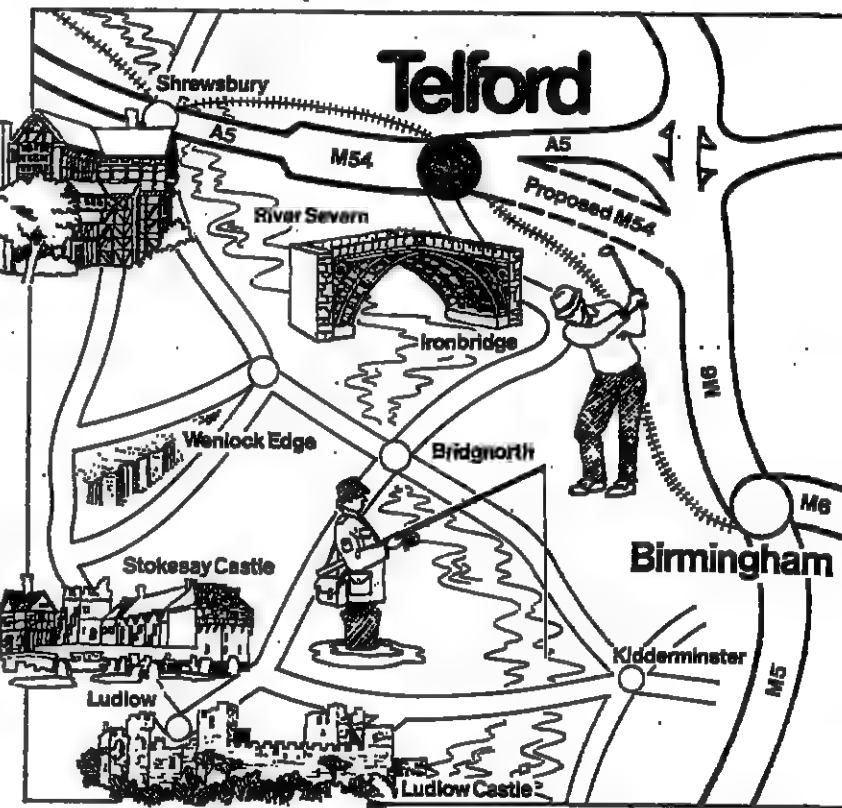
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Rubery Owen

CONTINUED FROM PREVIOUS PAGE

years or so a small unit been established to evaluate new products. It could increase non-motive business. Ironically, of the more successful units to emerge from this initiative has been the motor vehicle department. The aspect of the West Midlands industrial scene which Rubery Owen has not been able to escape is industrial relations. Things got particularly bad in 1976 when a six-week strike at Darlaston had ramifications in the motor industry generally. It is something which is clearly ingrained in David Owen's mind since the day it incites a strong opinion about how wage restraint "puts pressures on a many because it is not needed to reach settlements can put right anomalies." Linking to David Owen about industrial relations is to hit a subject which seems to his heart. He clearly is very much, yet at the same time this quietly-spoken 42-year-old gives the impression of being cut out for the cut-throat that inevitably comes with worker-management relationships.

After a perhaps traditional career (given his background) of Oundle and Cambridge he joined Rubery Owen 900. Within nine years he is in effect running the company with his brother John, not necessarily through choice but because his father had to take over reins at the age of 21 on the death of his father's partner David Owen it was

necessary to develop a very different management style. While his father was a paternalist such an approach today "is really out," he says. He has tried to create a more open style of management instead, with more discussion and a general acceptance of increased consultation before decisions are taken. Yet he hopes he gets as close to the work-force as did his father.

Despite moves away from reliance on the motor industry David Owen says that the biggest factor behind the still modest return being achieved by the company is "lack of demand from British motor companies." He insists that low profitability is not due to lack of investment and quotes £3m a year as the amount spent on capital investment.

Expansion is also being sought overseas and he sees India and Africa where Rubery Owen has minority stakes in manufacturing operations—as promising areas. The Philippines, where there is a majority-owned manufacturing plant is also expected to be a growing market. Australia, on the other hand, has tended to be a bit flat.

Few things seem to get David Owen really steamed up, but he does react when talking about the climate in which industry has to operate. As the owner of a private company he is not surprisingly critical of the effects of Capital Transfer Tax—though he is quick to make his criticism general, pointing out that the country really does need more small companies, yet legislation "tends to create one-generation businesses."

Nicholas Leslie

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WEST MIDLANDS VIII

Exports fall prey to strikes

THE EFFECTS of the lorry drivers' strike in terms of mass lay offs were so much less damaging than had been predicted that it has tended to mask the fact that it initiated a thoroughly gloomy start to a year which in the past quarter had seemed to offer brighter prospects. And it hit exports especially hard.

Once again, as in the three-day week of a few years back, considerable ingenuity was shown in getting goods into factories and away to the docks. "Over the wall" acquired a wider currency than mere prison slang. Where it could be done, away from the prying eyes of pickets, goods with delivery dates were literally lifted over the wall by forklift trucks. Another company managed to smuggle in urgently needed materials in the wagons of a neighbouring company with railway sidings, transferring them at dead of night.

The full impact of the January strikes will probably not become clear until mid-year, but already companies are reporting a fall off in export orders (where before Christmas they had been rising) and a backlog of frustrated exports both to the docks and for air freight. Because of the well-publicised examples of late deliveries, overseas customers, especially for production line components, have been cutting individual contracts by a third or a half and placing this share with competitors in other countries to ensure delivery.

In a year that saw the UK car market expand by 20 per cent industrial action is reckoned to have cost £1bn worth of production. Much of this was in components, a substantial proportion of which would have gone for export. Indeed, the success of Midlands-based companies such as GKN, Lucas, Associated Engineering and Automotive Products in flying the flag abroad (and incidentally providing a surplus over imports for the motor industry as a whole) has been a powerful factor in encouraging others, both in and outside the motor industry, to seek to maintain and improve turnover from foreign sales. "The Midlands is much more wide awake to the possibilities and to seeking out new markets," said Mr. Tony Cox, an exhibitions consultant who works closely with the British Overseas Trade Board and the Birmingham Chamber of Industry.

Potential

One of the big successes in the promotional area has been to draw the attention of manufacturers in Western Europe to the tremendous potential for engineering subcontracting that exists in the Midlands. This of course takes in a far wider range than vehicle equipment. The BCI has helped to pioneer joint ventures to relevant exhibitions. For example, recruiting for "Midest" which moves around the Continent and is this year at Brussels, has just begun. In addition to helping to organise representation at exhibitions in Europe and much further afield in North America, the Middle East, and S.E. Asia, the Birmingham Chamber organises around 16 trade missions a year to likely markets. These BCI supported forays have netted hundreds of millions of pounds worth of business as a direct result of participation. Follow up and repeat business is probably worth three times original orders in the first year.

Each mission can be counted on to generate anything between £350,000 and more than £1m worth of business at the time. Recently, for example, £250,000 worth of orders was

brought back from Dakar, £500,000 from Toronto and £1.1m from Nairobi.

Two territories currently being wooed are the South East Asian countries—home in on Singapore and Hong Kong—and Western Europe. S.E. Asia is experiencing boom conditions in the building and construction industries, with hotels, transport, public buildings and other parts of the infrastructure developing fast. Western Europe, particularly the EEC countries, ought, it is felt, to be a far greater outlet for Midlands manufactures. Britain's share of Community trade lags far behind that of older members.

To increase the Midlands share of trade an intensive two-way programme is under way. More exhibitors than ever before from the engineering and metal forming sectors of Midlands industry are going to the Hannover Fair in April. Birmingham's "twin" city of Lyons will be receiving another powerful delegation, and Milan will also shortly come under industrial attack. Inward missions are also being welcomed from France, Sweden and Germany, and there is to be another visit from representatives of Hong Kong department stores, for the third year in succession. A few days ago Midlands industrialists welcomed a party of 28 Japanese department store buyers. There was a capacity group of 30 companies to welcome them from the jewellery, engineering, hardware, souvenir and garden equipment sectors.

Since the first overseas trade mission in 1965 there have been some 200 others, in which 1,236 companies have participated. Last year preliminary figures suggest that around £100m worth of business was brought back from 20 missions. This year there will be an average of nearly two missions a month

setting off for various parts of the world seeking extra turnover to help fill spare capacity and make up for deficiencies in the home market.

Supporting this very considerable and extensive export programme is a series of references dealing with marketing procedures in arranging credit finance and the minutiae of trade with different countries. In a few days, for instance, a special seminar being mounted dealing with complex EEC procedures. Mr. Arthur Jackson, overseas trade secretary at the Birmingham Chamber of Industry, said: "We have never before been so busy by country, by product, in running an export office."

Unfortunately, this active programme, which was expected to spread around £200m worth of orders among Midlands engineering, metal forming and component factories, will not all count as extra turnover. Nigeria, which was one of the top markets for Midlands exporters, collapsed. The events in Iran have hit the Coventry motor industry and component suppliers. There are growing uncertainties about the Middle East, and even in America the German demand is beginning to waver.

It will need a continuing effort and perhaps a little luck by the big groups like GKN, ICI, and TI in turning in better performances if the Midlands is really to feel the benefit. It will also need a bigger supply of skilled labour. The perennial shortage of scarce skills makes taking on big new contracts an expansion that much harder. "We have scoured the Midlands in the past three months for welders, fitters, makers of foundry workers to very little effect," the Welman engineering group complained.

Peter Cartwright

Property market firmer

THE REVIVAL in the building and property market in the West Midlands has continued in the early months of this year, but there are indications that the pace has remained somewhat disappointing. New building and construction is still sluggish, with much of the industry's energies going into refurbishment and the restructuring of old sites.

However, this merely suggests that the region is following the same line as the rest of the country. Industrial properties continue to find it much easier to attract buyers than was the case not so many years ago. The private house market has shared in the national upturn of the past six or eight months, although a good deal of the demand is being taken up by existing houses.

Agents in the industrial property sector report a fair level of letting activity, but point out that rental levels are disappointing—not high enough to stimulate new building, according to some sources. Good-class industrial property still finds it hard to attract rents above the £1.50p to £1.65p a square foot mark. This compares poorly with the £2.50p a square foot currently commanding attention in the London areas.

Impact

But the levels do show a modest rise on those reported in the region at the beginning of the winter. The sluggishness of the past few weeks may well reflect the weather of January and February, and also the impact on business activity of the lorry drivers' strike. The West Midlands suffered particularly badly under both headings and has only very recently begun to recover.

The strike by the lorrymen, in particular, had a surprisingly severe effect on business sentiment in the Midlands, which has a high level of warehouse development. Such developments are usually tied to the motorway network and thus largely dependent on road transport. The strike brought some alarmist reaction in the area, with industrialists reported to be hanging back on new developments. Such fears have proved overdone, however, and defeatist talk is no longer fashionable.

Thus there is every likelihood that speculative building could soon resume the sharply increased levels of activity seen in 1978, when there was a rise of 84 per cent. Unfortunately there are fewer big developments in the offing. Plans to extend the National Exhibition Centre, for instance, lie firmly in the future.

Both letting agents and construction groups tend accordingly to be pre-occupied with what would not so long ago have been regarded as the less exciting type of business. There are, for instance, few shopping

developments of any size going forward.

One of the more significant operations is the £1.5m factory development in Wolverhampton, on an old Courtaulds site which in all covers 23 acres. The first part of the development, comprising a Government Skill Centre, has already been let, and Richardson Development expects further completions very shortly. Another industrial estate is scheduled in Bilston, once again involving an older site, which in this case housed a former GKN factory.

In its latest survey of industrial property in the area King and Co. discloses that the total space awaiting tenants has continued to fall, albeit slowly. Warehouse space available totalled 2.7m sq ft against 2.4m three months earlier. A similar trend in factory space lettings left a total of 4.6m sq ft available, against 3.4m previously.

But once again bearing out other indications of recent trends, King and Co. reports a fall in the total of new building under construction from 1.6m sq ft to 1.5m. Since King and Co.'s figures were completed before the onset of the severe winter or the lorry drivers' strike, it must remain an open question whether these trends will reverse as spring draws on.

The residential property sector is seeing a significant increase in demand, especially at the expensive end of the scale, where supply is not enough to satisfy buyers. The boom has continued strongly into the early months of this year, and most agents expect the spring to herald a further upsurge in prices.

Cheshire Gibson refer to the Edgbaston area as one in particular demand. At the higher end of the scale, buyers seem to find access to funds without too much difficulty and sales are often completed with astonishing speed—three weeks in one case.

There are some fears that the coming months may bring adverse factors into play. Government attitudes towards restraint on building society lending levels and mortgage rates will be significant.

Wage levels are seen as the major factor at the lower end of the property scale, but several agents stressed that the growth area was not at this level. It is the £40,000 to £100,000 range which is attracting the buyers just now, and the one which offers the best potential for the coming months.

The lower end of the scale is finding the going more difficult, with sales delayed by the need for every would-be buyer in the chain to find a seller before he can complete the deal. Thus the most active areas are the more prosperous sectors of Birmingham—Selly Oak, Sutton Coldfield and Hagley.

There are signs that a shortage of land is holding back new building, usually on the town fringes. There is not much "green field" building at present.

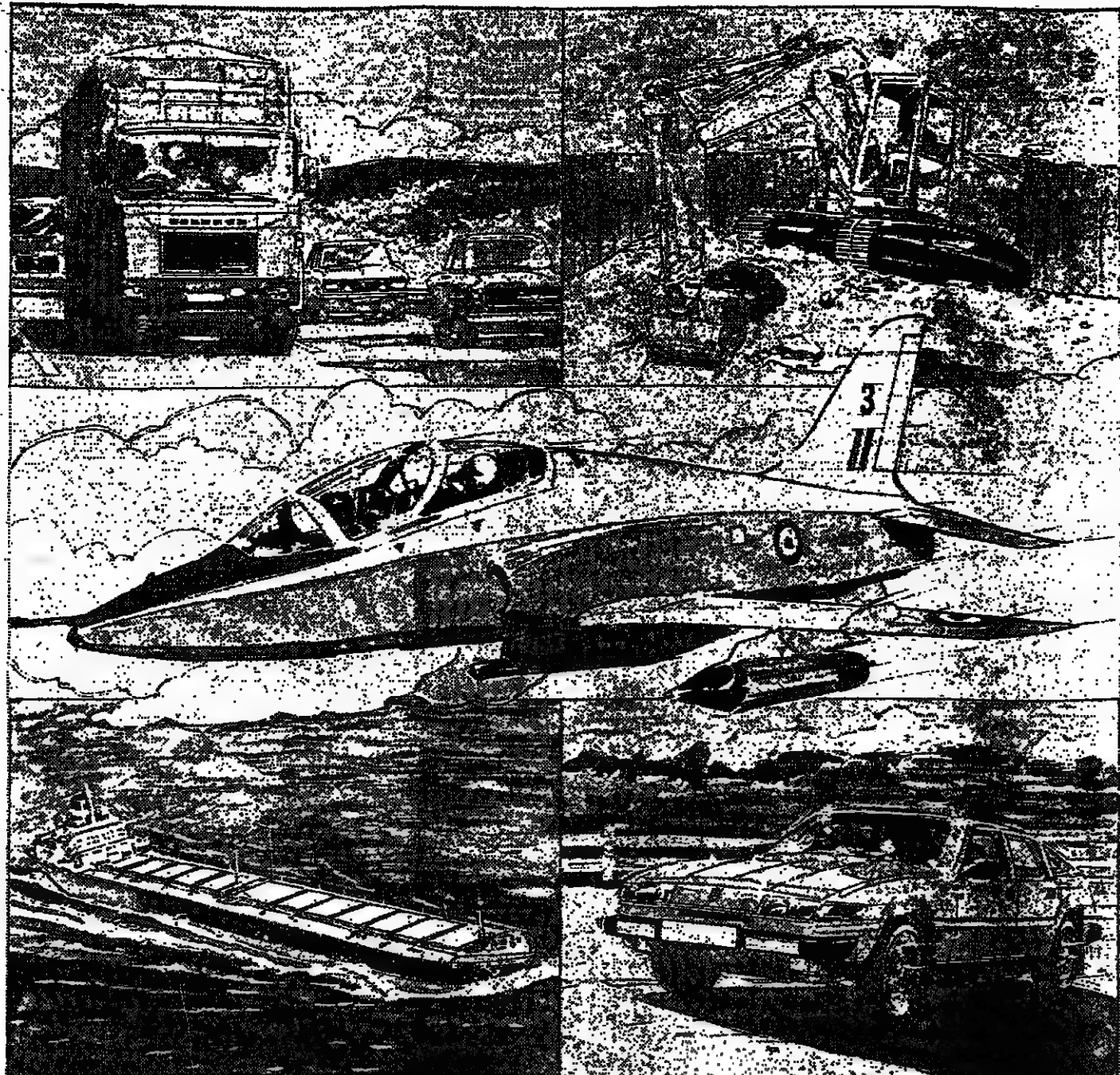
But the severe shock suffered by private housebuilders in the post-1974 crisis has left its mark on the industry, and developers are slow to build up stocks

either of land or houses. This caution in some ways reflects a similar attitude on the part of housebuyers, who have so far been unwilling to pay the top prices for houses on new estates. But all the indications are that pressure is building up for a powerful upsurge later in the year, when there will not be enough new property to satisfy demand.

The wider questions for the property market in the area are the same as those for the rest of the country. The outlook must depend on the outlook for economic activity throughout Britain, and in particular for the heavy industry on which the West Midlands relies.

The revival of confidence in the UK car industry lay behind the revival of industrial property activity in the region. Midlands property men will continue to keep a close eye on the industrial scene and to hope for a season of industrial peace.

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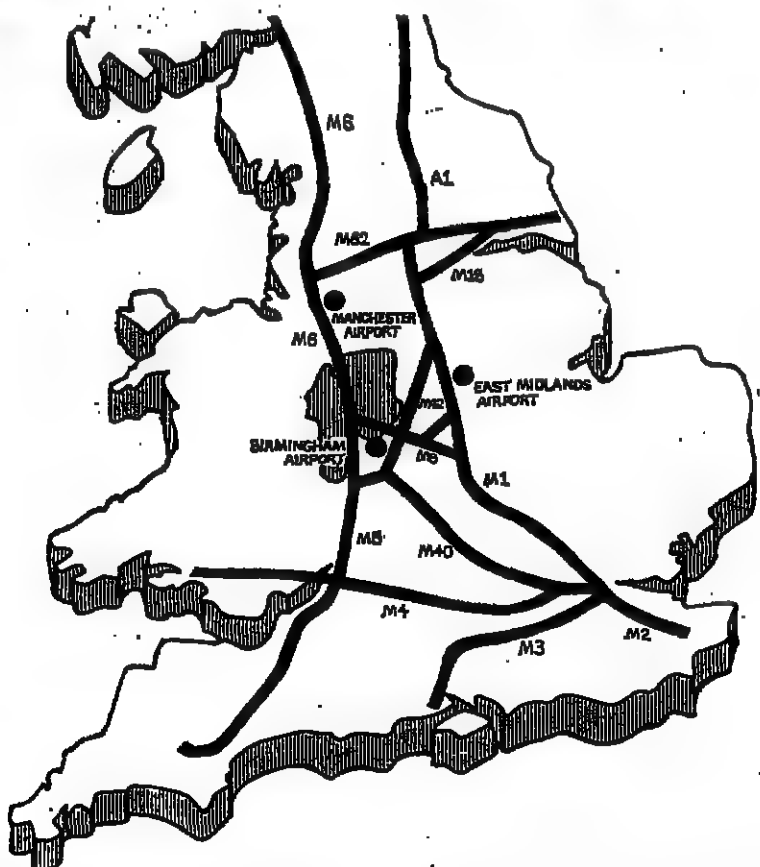
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THE ARTS

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Paris music

Two ensembles by DOMINIC GILL

The London Sinfonietta, now 15 years old, is the elder of two ensembles of the new Ensemble InterContemporain, the resident instrumental ensemble of Pierre Boulez's Institut de Recherche Coordination Acoustique-Musique, whose offices and place of projection are buried in the ground under the place Saint-Merri next to the Gare d'Orléans-Beaubourg.

Both are ensembles of varying size, dedicated principally to the performance of contemporary music. Their repertoires and outlook are similar, though the InterContemporain is a larger group, and its range of activities wider: a commission of budgets, indeed, takes depressing reading—a (national British disgrace). But their uniquely high standards, virtuosity and dedication, by both sets to become not only the two finest groups of their kind in Europe, but probably the finest in the world. The relationship is closer still, as the Sinfonietta, who as Boulez's responsible artistic director, is responsible in part for the running of the InterContemporain, was also the London Sinfonietta's first manager. So it was with particular interest that one took the opportunity offered by chance in the last week to hear both ensembles give a concert of contemporary music on consecutive nights in the same hall.

Because of an unusually unpromising, though eminently visible, initial scheme of selection, rejection and reselection, recruits to the InterContemporain are offered a contract for one year only, during which time their suitability is tested: those accepted are offered non-exclusive, first-call contracts—their group has only just now, a year after its founding, shed something like a final, permanent form. Nor have they

until very recently had a permanent conductor. Boulez, their President, from the start, has never been able (nor ever intended) to give them his full-time attention. Peter Eötvös is now their Musical Director; but the ensemble has lacked until now the vital focus, both technical and artistic, that David Atherton, for example, provided for the London Sinfonietta in its early years.

The Théâtre de la Ville was all but sold-out for the concert given by the InterContemporain under the direction of Michael Gielen—a decisive advantage of the subscription-series system which the London Sinfonietta recently confirmed for themselves in their own Scherzo Western series, and one which no doubt (granted only adequate financial support) they will continue to exploit. The programme followed the basic plan laid down for the rest of IRCAM's series: a commission from a young composer, a recent work from the new repertoire, and an established classic of the 20th century.

The commissioned work, *Fragments du Narcisse* by Jean-Benoît Dartygoules, scored for solo viola with 17 instruments including three percussionists, was short, sweet and very slight: a nine-minute essay made up entirely of a sequence of little melodramatic effluences of varying lengths, sketchbook notes sewn together with the lightest touch, and still lighter excuse. Michael Gielen's own *Les cloches sont sur une fausse piste* was at least three times as long, and many times more pretentious: a huge, rambling confection for seven musicians, all amplified and each with their own percussion battery, and a speaker (on this occasion Gielen himself) to deliver in slow, rolling tones excerpts from poems by Hans Arp.

The words, as well as their delivery, were pregnant with heavy rhetoric; but the musical language, all gesture and no

syntax, was confusing and confused—some promising moments, but none really exploited or brought into focus. The evening finished with an account of Schoenberg's Chamber Symphony urged on by Gielen at the breathless *allegro* tempo that has gained currency in some quarters these days, fast and steel-tipped without the least trace of lyrical shaping or breadth or dramatic point. Just before the end, the excellent players of the InterContemporain managed to wrench themselves free for one or two pages from Gielen's relentless beat and let the music speak—a glimpse of what will undoubtedly be some day, under a different conductor, a very beautiful performance.

The following night, before a much-reduced audience at the Théâtre de la Ville, the London Sinfonietta under Elgar Howarth offered their programme, which included two major works by Harrison Birtwistle and Peter Maxwell Davies already familiar to London concert-goers, but new to Paris. By way of a curtain-raiser, they gave Xenakis's *Phlegra* for 11 instruments, bright, brash and compact: a superb performance, tough and confident, every texture and strand in place. And indeed, judged in all objectivity, without a hint of chauvinist sentiment, the Sinfonietta have rarely appeared on such brilliant and sparkling form. Their accounts of Birtwistle's *Silbury Air* and of Davies's *A Mirror of Whiteness* were fired with almost supernatural energy and impetus, rich and subtle, lit with mysterious inner light; and their tour de force of Stravinsky's *L'Histoire du soldat* suite, too, was nearly faultless in its virtuosity and command. The Sinfonietta is one of the most vital and lively musical assets not just of Britain but of the world: can we in all conscience stand by calmly and watch it starve?

Hayward/Annexe

Lives and so forth by WILLIAM PACKER

Each year the Arts Council, as part of its policy of support for the visual arts, gives an artist a lump sum and a free hand to buy work for the collection, which acquisitions usually supply the substance of an exhibition. Derek Boshier's efforts this year, therefore, are marked by the last moment and in some controversy from the Serpentine to the Hayward (until April 1), that he has entitled "Lives." Not at all unlike the Curator's egg, though I would shift the qualifying epithet down the scale a notch or two, it proves to be full of interest, and equally full of irritation.

Most irritating, perhaps, for it is over-simple and tendentious, is his apologetic of his guiding principle: "Lives" is an exhibition of artists whose work is based on other people's lives. In fact the depiction of people and their lives tends to be rarer within the art world than outside of it. It does not include landscape art, abstract art, art based on the artist's own life and art that may at first appear concerned with other people's lives, but on closer inspection... in the art world an art that can be seen (assimilated) by the public would be felt to be an art with limits. A tendency in the art world to judge and experience art according to whether it fulfils the function of rather narrowly defined rules... an obsession with making judgments based on beauty... the artist is in a privileged position... everyone has in them the potential to create... If the work that the art world produced was more accessible (that might lead to) the possibility of active involvement by more people in using creativity themselves.

Well, it is easy to see where all this leads—"the purveyors of culture in pursuit of a past formulation of a 'notion of excellence'; creativity not a dirty word; learning through problem solving in an enjoyable way: art world attitudes must change: inherited gift of genius a myth." In other words, let us all join in, it is not what you do but the fact that you do it, participation is all. The familiar, jangling argument is sincerely meant. I know, in no way vitiated by Boshier's own undoubted distinction and particular gifts as an artist; but the heresies it carries are dangerous all the same.

The underlying assumption that it is only by its content, by its literal and obvious association, that a work of art may be made accessible to the public, is breathtakingly naive, and appallingly condescending besides; as though only by the specific prod may the common imagination be goaded into action. And it would also turn the artist himself away from his primary responsibility, which is to get his work right in the terms he has set himself, measured against his own experience of the world, to take on the role of a kind of ring-master, keeping everyone happy, every hand busy, making everyone realise in the approved egalitarian manner, as though private experience, and personal choice, have nothing to do with real life at all. But it is the assault upon excellence rather than upon privacy that is perhaps the most damaging; for excellence has ever a great deal to do with content as well as form, and it is the form that must give the work, of whatever kind, its essential reality. No matter how worthy the intention, badly made, ill-



Femme du Peuple II by R. S. Kline, 1976

written, out of tune, the work will fail, as this show so nicely demonstrates.

A small show in Wimbledon, at the Annexe Gallery (until April 3), adds its own neat rider. Elsie Few is the widow of Claude Rogers, a distinguished painter and teacher of painting who died only a week or two ago. This small show of her own work had been arranged, and she has allowed it to go ahead nevertheless; and the abstract collages that she has been making these past ten years, quite contrary to Boshier's earnest, imputations, clearly have everything to do with life. Having started to make them, she suffered a severe stroke, and the technique has proved to be the only practicable way of continuing to work. Each image, though abstracted, is specifically related to particular or generalised experiences, and identified as such, as her note to the exhibition shows: "Iron Maidenhead, a newspaper photograph of this object... and I found the idea of someone conceiving such an object appalling and horrific; Wrapping Paper—I am thinking of the parcels arriving at my home, and the excitement of unpacking them; Batman—Claude picked up a child's drawing in the road... The shapes and colours I use are in no sense illustrative or symbolic, although

they seem to me to be a valid equivalent of the emotion I experienced." These collages hang together as a powerful, distinguished and above all highly personal body of work, to which any reasonable person, given the generosity that Boshier quotes Mar Ray as requesting, may respond intelligently.

Back with the Hayward and its controversy, the row blew up over what I understand were openly political statements in the catalogue by two of the artists, and now centres upon the withdrawal of one work by each of them at the insistence of the Arts Council (whether the responsibility lies with the Department of Fine Art, or with the supreme Directorate remains unclear), to cries of Censorship on all sides.

Putting it bluntly, the council should have seen it coming, for Conrad Atkinson, one of the two, is an artist with a long and distinguished commitment to the people, particularly to those of Northern Ireland, who have long depended for the publication of his work upon public institutional support, by the British Council, the ICA, the Whitechapel, and of course by the Arts Council itself. Indeed his offending piece was shown last year at the Serpentine without incident. It is a polemical poster that attacks the Distillers Com-

pany through the many Warrents it holds from the Royal Family, and it makes its questionable point effectively. The other work withdrawn is by Tony Rickaby, called *Fascade* and showing the offices and headquarters of a number of organisations as various as the Festival of Light, the National Front, the CBI, the Monarchist League and the Conservative Party. Such a simple-minded idea is beyond criticism, at least for the time being.

The issue is serious, however, for weak ideas and doubtful politics should be seen to fail.

and to see bad art inflated by martyrdom is distressing. Even that champion of the people, John Pilger, described as a special writer on the Daily Mirror, has been unable to let such an opportunity slip past, and the reader of the New Statesman may currently enjoy a long exercise in sanctimony by him, that has little to do with the Art in question, though I am sure he is a familiar figure around the galleries, and everything to do with special pleading: "Atkinson is best remembered for his ICA exhibition, 'Strike', which dealt with the long struggle of shockingly underpaid workers at Brannan's factory at Cleator Moor, Cumbria... and is credited with the 100 per cent unionising of a department at Brannan's London factory."

Atkinson's wife, Margaret Harrison, keeps the family flag flying, however, with a large and serious work called "Rape," that is more a pamphlet laid out on the wall than a painting, crudely lettered and perfunctorily painted. Apparently it has been used as a focus for seminars on the subject when it has been shown before, an excellent visual aid. But her feminist rationale apart, she goes on to claim that she has "rediscovered a place for the use of the craft of painting." The evidence of the piece itself, unfortunately, does little to bear her out; and this exhibition in general just as "Art for Whom" and "Art in Society" last year, and many others before, does tend to suggest a general rule: that content is most useful in disguising technical inadequacy.

I said at the start that this show is full of interest; and, to be fair, I also said that it contains some good things. Ironically, those least likely to gain public acceptance, for they defy the common expectation of what Art should be, are conspicuous among them: and, among their virtues, several display a consummate professionalism, that achieves the statement and lets any implication fend for itself. Most impressive of all is Brian Duffy's huge photograph, blown up to hoarding size, for a Clark's Shoe advertising campaign, all fish-net stockings and insouciance. Equally sure is the work of Desmond O'Neill, which regularly graces the social diaries of the better class of magazine and, seeing it blown up for once beyond the size of a postage stamp, we discover just how cool and sharp is the eye behind it. And Boshier's own contribution, besides his innate sophistication, yet has a particular poignancy, as through it we see an anonymous life laid bare on the pages of a discarded and dismembered snapshot album.

Hartman Hotel, W1

Susanah McCorkle by KEVIN HENRIQUES

The New Orleans Sunday brunch at the Portman Hotel has been running without halt almost two years. In that time, the unusual (for London) concept of enjoying an exotic meal on the Sabbath (admittedly not exactly New Orleans) in the accompaniment of jazz music (not necessarily New Orleans) seems to have

caught on. The list of musicians and singers who have appeared is both imposing and illustrious and judging by the turn-out for last Sunday's Brunch the idea seems destined to continue prospering. But then there must be few jazz venues anywhere in the world where one can start a meal with a Purple People Eater, and close with a fiery Café Bolero, hotly pursued by a smooth Armagnac.

It happened that Sunday saw the last appearance of singer Susanah McCorkle in her all-too-brief visit to London. After a year working in the tougher ambience of New York Miss McCorkle's approach to an audience is noticeably more direct and positive than when she lived in London. Of course the Sunday Brunch clientele is far different to that at Ronnie Scott's Club or the Pizza Express. She recognised this and adapted accordingly, yet never compromising herself or her standards in any way. Smoochy love songs and late-night numbers were eschewed

but she still maintained that level of quality which is the distinctive mark of herself and her accompanist, Keith Ingham. Both have a marked penchant for resurrecting little heard but nonetheless good class tunes and during their three weeks in London they exhibited quite a few gems.

Among the memorable moments on Sunday were a striking interpretation, just with piano, of the Harry Warren composition, "About a Quarter to Nine." Later the rest of the rhythm section, Spike Healey (bass) and Derek Hogg (drums) were precisely right with their work on the unusual waltz version of "After You've Gone." Fats Waller's "Ain't Misbehavin'" was delivered uncharacteristically, but on so effectively, in slow tempo.

Until she and Keith Ingham return, which they promise to do within a year, fans can console themselves with her latest album, devoted to Johnny Mercer tunes and unsurprisingly titled *The Quality of Mercer* (Black Lion, BLP 12189). Fourteen of Mercer's best numbers are superbly sung and their quality and the album's—enhanced notably by the contributions from tenor saxists Danny Moss and Duncan Lamont and trumpeter-cornetist Digby Fairweather.

Elizabeth Hall

Iberian Requiem

The Iberian Requiem given on Saturday night by the William Byrd Choir under Gavin Turner was not a complete work but an assembly of music by various Portuguese and Spanish composers of the period round 1600, when the two countries were linked under Spanish dominion. The backbone of the programme was a Mass in eight movements by the Portuguese Duarte Lobo from Evora who became choirmaster in Lisbon. Between the movements we heard some extra-liturgical motets by other composers and brief sketches of instrumental polyphony, mostly by the Spaniard Juan Vázquez, played by the London Cornet and Sackbut Ensemble.

The object was to avoid performing consecutively in the usual concert-hall manner movements of a Mass not intended to be heard in such quick succession, also to avoid faking up a liturgical atmosphere in this distinctly and indeed depressingly secular building. The compromise worked up to a point, though I suspect there was some confusion and misconception (especially with the inclusion of the Spanish composer Antonio Lobo) and a good deal of squinting at the clearly but minutely printed programme to make out what was what. Furthermore, with such fluent and capable performances one notices the difference of level between various pieces. The Portuguese Lobo's Mass made an impression of touching, elevated, rather stiff-jointed devotion, but sounded country-cousinship compared to the interpolations by

the Spanish Lobo, by another Portuguese, Filipe de Magalhães, and by the great Victoria.

These historical excursions and comparisons are valuable as well as enjoyable but ultimately it is the music that counts. The only time one was so completely taken up with the music as to cease to care whether one was in Seville or on South Bank was in the second half, after the "Requiem," in two voice-and-instrument pieces by Victoria at his grandest—a *Saltire Regina* and the magnificent *Primi Toni*. The first began a little coldly and sluggishly, presumably because Mr. Turner was holding back for the spacious climax. The *Magnificat* was splendid yet something nagged until one realised that about the only Latin word to come through was "esurientes."

The programme was jointly sponsored by Elms Concerts and Mapa Mundi, the latter an enterprising publishing firm who issue Renaissance music transcribed and edited by Bruno Turner, well printed and inexpensive. The catalogue contains not only Spanish/Portuguese but English and French/Renaissance music, rescuing for ever-increasing public fine things that have been gathering dust in cathedral libraries or getting learnedly but not always readably written about. To return to the concert, the instrumental parts were well done and gave especial pleasure when heard with the voices in the second half. Between the big Victoria works John Langdon played organ music by Rodrigues Coelho.

RONALD CRICHTON

Wigmore Hall

York Bowen

"Sensibility alters from generation to generation; but expression is altered only by a man of genius." T. S. Eliot's weighty words provide all too apposite a comment on the group of English composers who grew up before the First World War but remained to compose music long after it: their achievements, which had seemed so promising before the revolutions which the war brought in its wake, proved incapable of being modified by the changed circumstances—their sensibility remained, but so did their mode of expression. Elgar was in a handful of works, an articulator of disillusion; and Frank Bridge (on developed beyond the prevailing gloom. But neglect for men like Howard Brian began in the 1920s—their music spoke to an age which had passed.

The latest candidate for admission to the ever-increasing group of neglected 20th-century English composers is York Bowen, who died in 1961, and his case was forcefully put by a fine collection of musicians on Sunday at the Wigmore Hall. Yet the four works performed were, I thought, impressive in direct promotion to the youth of the composer when he wrote them. In 1907 the richly coloured yearnings of his Fantasia for four violas must have made a real impact on an England for which Grieg was but only recently broken the run of Victorian oratorios. No wonder his concertos were heard at the pre-war Proms: Bowen might have been an English Strauss.

Even in 1932, the Phantasm Quintet for bass clarinet and string quartet (another extraordinary but successful chamber combination) might have car-

ried conviction as a late example of a sleeky, Swinburnian autumnal echo of Brahms' comparatively fresh nostalgia in the Clarinet Quintet. But here the times are already out of joint; and by the rapidistic assertiveness of the 1937 Horn Sonata (played with vigour and panache by Alan Civil) we are dangerously near the Associated Board competence of the dovel-tailed entries and careful developments of the 1949 Ballade for oboe, horn and piano. (Civil, John Anderson and Salathiel Lindsay.)

Bowen's is not bad music by any means; indeed it is thoroughly proficient, excellently written for the instruments, well balanced, neatly planned, and always attractive to listen to. In all conscience, these four pieces are better than many inter-war trifles by French composers which find more frequent places in concert programmes: perhaps they deserve a Lyrita recording alongside Roodham. But if Bowen had only spoken as directly to the 1930s and 1940s as he did in the viola Fantasia to the 1910s! Indian Summers do not last for ever—composers must face winter when it comes.

NICHOLAS KENYON

Action Space to close

Action Space Theatre, one of London's few West End theatre clubs, will close on April 2; less than three years after its opening. Last year more than 125 companies appeared at Action Space.

The theatre needs an extra £12,000 to continue.

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Tuesday March 13 1979

Clampdown by Mr. Shore

LAST WEEK'S misunderstanding between Mr. Peter Shore and the Greater London Council and other local authorities over the precise import of the Environment Secretary's new rules for council house sales should not be allowed to disguise the fact that his statement marked a major shift in the Government's policy.

Hitherto the Government had been content to let stand its predecessor's general consent for the sales of council houses while making clear that it did not favour sales in areas where there was still a general shortage of rented accommodation. This selective approach has now been replaced by a blanket restriction which effectively limits sales in any part of the country to just four categories. First, sales to sitting tenants of two years' standing who (in view of the ban on the grant of options to buy) are currently able to finance a purchase; secondly, sales of new property which has been built specifically for the purposes of selling to owner-occupiers; thirdly, sales of housing compulsorily acquired for the purposes of a road scheme which has subsequently fallen through; and finally, sales of run-down property acquired for a home buyer under a "homesteading scheme."

Mr. Shore has explained that the Government is opposed to the indiscriminate sales and the level of discounts that some local councils have been offering. But there is nothing in his new rules which would appear to prevent an authority from offering a long-standing tenant a substantial discount, and it is hard to see any justification for restricting sales in areas where there is no longer a general shortage of accommodation, a criterion which must apply today to most of the country.

One has to distinguish here between the genuine shortages which still obtain in a few localities and the symptoms of shortage (such as most local housing waiting lists) which reflect the gross maldistribution of housing stock created by decades of rent controls and indiscriminate subsidisation.

One of the arguments for facilitating the sale of local authority housing is that it would help to encourage a better use of the present stock of housing. It would promote mobility and free public resources for tackling more

specialised housing needs, such as the provision of housing for the elderly or the improvement of older sub-standard housing.

All the evidence shows that there is still a large unsatisfied desire for home ownership among local authority tenants. Mr. Shore has said that it is wrong for local authorities to sell an option to purchase to tenants who are not yet in a position to buy because it would restrict the freedom of action of successor democratically elected councils. The "rights" of future councils have, however, to be weighed against the wishes of existing tenants. Widening the range of their choice in housing would increase individual freedom. The broader distribution of wealth brought about by the sale of local authority housing might also help to soften the cycle of poverty.

Housing needs

Mr. Shore has been subjected to considerable pressure from within the Labour Party to restrict local councils' freedom to sell council houses, principally on the grounds that such sales reduce the supply of rented accommodation that comes up for re-letting and thus makes it harder for local councils to meet housing needs. This argument is not clear-cut, however. A local authority tenant is more likely to move if he becomes an owner-occupier and the chain of sales which ensues when a house acquired from a local council becomes vacant and is re-sold could well result in a first-time buyer moving out of rented accommodation or in one less name on the local authority's waiting list.

Decision

In areas where the choice of rented accommodation is limited, and most of it is owned by the local council, there could be a case for objecting to the policy of the Conservative Party — which sees council house sales as a politically acceptable way of reducing the housing subsidy bill — of giving every tenant a statutory right to buy. But where local councils own a substantial proportion of the total local stock of houses there is an even stronger objection to leaving the decision to the local authority. If the unmet demand for home ownership were to be met entirely by the building of new homes for sale, as Mr. Shore is suggesting, local councils could well one day find themselves left with housing they could neither let nor sell.

Fighting for apartheid

THE SIX-DAY-OLD strike by South Africa's white mine workers, protesting over black job advancement, presents a new and sensitive problem for the already harassed Government of Prime Minister P. W. Botha. The ostensible cause of the strike is the promotion of three skilled coloured workers to former white jobs at the O'okiep copper mine in Namaqualand. But this dispute has merely acted as a focus for numerous long-standing grievances by white miners, including demands for better pay and for a five-day working week. Above all, the strike stems from the white miners' resistance to black job advancement and their fears that the Government and the mining houses are conspiring to replace white miners with cheap black labour.

Black advancement

It seems no coincidence that the dispute should have come to a head only weeks after the Government has been presented with the still secret findings of the Wiehahn Commission into labour legislation. This long-awaited report is expected to recommend the removal of the statutory reservation of jobs for whites in South Africa.

This would not be quite as dramatic a move as might first appear, since only a small minority of jobs are affected by statutory job reservation, though these jobs may themselves be the key to further advancement. What is more of a block to black advancement is the customary reservation of jobs for whites, an area where change is likely to be very slow. Nevertheless, job scrapping could affect the white miners, and the current strike can be seen in some respects as a show of strength in anticipation of the Wiehahn report.

Tough attitude

The South African Chamber of Mines has adopted a tough attitude towards the strike, per-

haps wanting to test the miners' determination. In effect, the Chamber has prolonged what was to have been a one-day stoppage by declaring the participants to have dismissed themselves and thus forfeited numerous benefits. Against this background, it is significant that the main butt of the miners' anger should be the National Party Government rather than the Chamber of Mines.

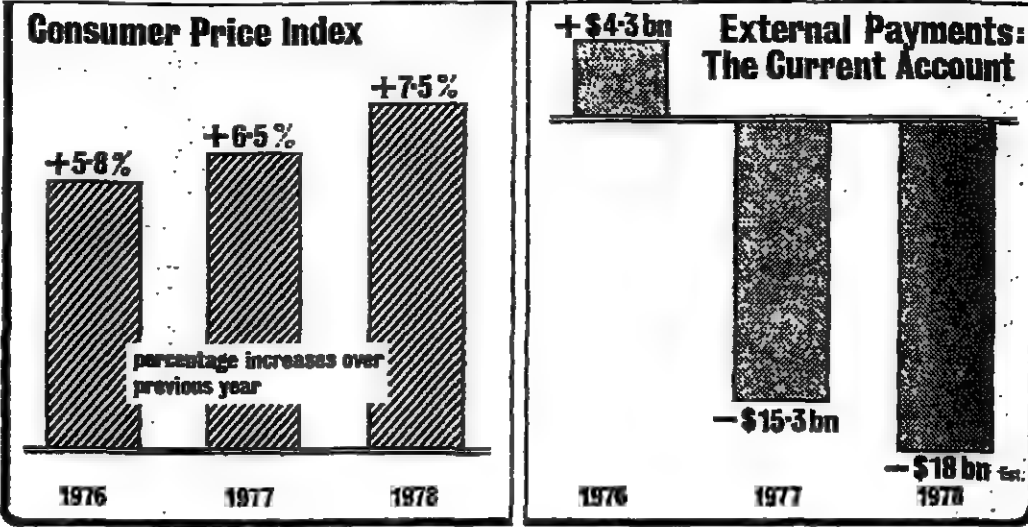
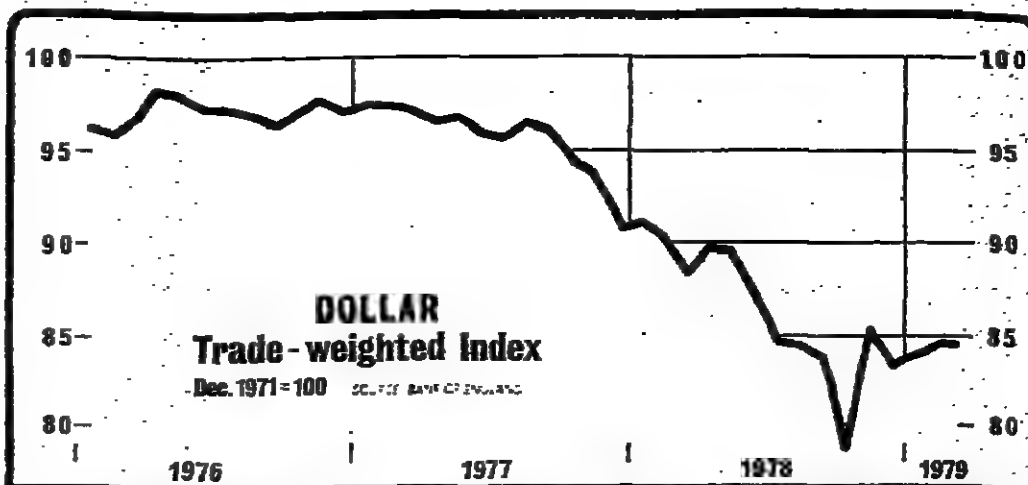
The miners, who have unswervingly supported the National Party and its apartheid policies for the past 30 years, evidently fear that they will be betrayed by the Government's cautious moves to liberalise some aspects of its policy. At present, the miners do not seem to be gaining much sympathy or support from other sections of the white community. Indeed, the pro-Government Press has adopted a remarkably hostile attitude towards them. Nevertheless, the miners' strike does point up the strong pressures limiting the Government's ability to make even cosmetic changes in apartheid and could provide ammunition for the increasingly powerful right-wing element within the National Party led by Dr. Andries Treurnicht, the party leader in the Transvaal.

Fate of Namibia

The miners' strike can, therefore, only add to the problems confronting Mr. Botha, who already faces continuing controversy over the "Muldergate" Department of Information scandal and over the future of South West Africa (Namibia). Dr. Rhodde, the former Information Secretary, is threatening to reveal damaging new facts on alleged Ministerial complicity in the Muldergate scandal, which is hanging in the balance. Yet the Government knows, and the white miners must learn, that the economy needs a more efficient utilisation of a highly trained labour force and that must entail black job advancement.

A report from the U.S. by M. H. Fisher on doubts about the President's foreign policies and whether he will make the right decisions at home

Mr. Carter's crucial 'prestige factor'



THEY may not be bewitched any longer by their President—most of them never were, anyway—but Americans are certainly bothered and bewildered. Those conscious of what is going on in the world around them are asking: What has happened to American power to shape events? What went wrong in Iran? Couldn't we have stopped it? Is there nothing we can do when the U.S. Ambassador in Afghanistan is killed? Must we stand idly by and watch the advance of Soviet power in the Middle East and the Horn of Africa?

The answer, of course, is that the world, and the mood of the American people, has changed, and President Carter has appreciated this. The people who ask why the U.S. did not do something to stop the revolution in Iran are the same who would have yelled for the impeachment of the President if he had tried to intervene militarily.

Those who are either outright opponents of the SALT talks or most doubtful about the benefits of reaching an agreement with the Soviet Union, and thus either explicitly or implicitly want to see an increase in defence spending, are largely identical with those who are calling most loudly for a balanced budget and an overall cut in Government spending.

When the President announced that he was going to Cairo and Jerusalem, the immediate reaction of many of his critics was that this was yet another of his "no win" initiatives. If he brought about peace between Israel and Egypt, the reaction in other Arab countries would help to undermine the regimes friendly in the U.S. If he failed, he would once more have personally demonstrated American powerlessness and damaged whatever prestige he may enjoy at this time.

The prestige aspect is crucial, not only because many Americans are already asking themselves whether President Carter will be a one-term President, but because there are difficult decisions to be taken on the home front which will require full exercise of White House power and prestige if they are to be tackled effectively.

The Administration is gratified, and perhaps even somewhat surprised, by the success of the measures taken on November 1 to stabilise the dollar. The fact that the uncertainties created by events in Iran have left the dollar largely unaffected is taken as an indication that the worst is over. There may be differences of emphasis as to what should happen next—should the aim be to keep the dollar roughly stable, or should some appreciation be allowed to occur if that were to be the market trend?

But the increase in confidence is there for anyone to see.

It is when one discusses the internal economy and the energy problem that doubts are evident. Administration officials are ready to admit that the economy is rather too strong for their liking at the present time. They still maintain that the economy will have a "soft landing," that while the rate of growth will slow down, there will not be a recession. They acknowledge that even if the wage and price guidelines hold, the reduction in the inflation rate will be slow, perhaps not more than one percentage point by the end of the year, and look to 1980 for the real counter-inflationary impact. Few outside Washington, however, believe in that politically-so convenient forecast.

That the economy is still very strong there can be no doubt. True, most businessmen say that a recession is inevitable, but then hasten to add that it will hit the other fellow; their own business is very strong. Housing starts fell sharply in January, but they always do. Money is expensive, the money supply is falling, but credit is still not difficult to come by, particularly in New York, and borrowers are apt to explain

that given the current inflation rate, the "real interest rate" is not very high.

The aluminium producers are bringing back into production high-cost capacity which has been idle for years. Consumption may be slowing down, the consumer has been drawing very heavily through second mortgages, as well as the normal forms of consumer credit. But capital equipment orders are strong and there are some signs that inventories, which are historically low, are being built up on the basis that "the stuff will cost more the longer we wait."

Yet virtually all business economists are forecasting a recession; some see it starting as early as the second quarter. The majority see it coming later, but are deeply divided about its severity. Those who see the greatest demand pressures now foresee the biggest decline, though few believe that the downturn will be really severe.

This is where one comes back to the prestige of the President, and his power to influence events. Just how much good the voluntary wage and price lines can do in the short-term is a hotly debated issue. What is quite clear is that if Congress does not pass the real wage

insurance scheme—whereby public funds are used to make up incomes for those who settle at the guideline but then find that inflation is cutting their real incomes—the guidelines are most unlikely to hold. One immediate problem in this context is that there is virtually no chance at all of Congress taking positive action before the deadline for the renewal of the teamsters' wage contracts at the end of this month.

For the time being, "moral suasion" is largely the name of the game, and the success or failure of the President's "voluntary" East mission is of crucial importance in this.

The same holds good when one comes to the interrelated energy problem. What is one to do in a society where one finds quite often that the only way to get one's room or office to a habitable temperature is to turn on the air conditioner at full blast to counteract the effect of the central heating, which cannot be turned off? Both the Treasury and Mr. Schlesinger, the Secretary of the Energy Department, ideally would like to see a total de-regulation of energy prices on June 1, when the President has the power to do just that.

But in this free enterprise

economy no one really believes that the use of the price mechanism is even a starter for the purpose which it is designed to fulfil. The Administration is greatly concerned about the supply problem. No one is ready to make confident predictions about what the Iranians may or may not pump this year, or to what extent the Saudis will be prepared to make good the shortfall. (What will happen as a result of the President's Middle East trip?) Barring a very serious shortfall in oil supplies, the view is that the price will not go through the roof. The Administration is leaning hard on the oil companies not to go into the spot market, and the general prediction is still that in spite of oil price rises which currently exceed the levels currently fixed by OPEC, the current account deficit of the U.S. will be cut from \$17bn last year to the \$8bn to \$9bn range this year.

Spot shortages are already appearing in aviation fuel. A number of airlines have cancelled flights—and sometime in the summer there are certain to be shortages of petrol in some areas. Rationing is not considered a sensible option at this stage. To that extent, common-sense prevails, but there are all sorts of plans for "voluntary" saving—ranging from persuading people to turn down thermostats to shutting gas stations on Sunday.

Probably the best the President can hope for on prices is to raise them on step-by-step basis, facing up to accusations that he is allowing the oil companies to gouge the customer. That will not be the only criticism. Many voices will be raised to point out that any rise in energy prices will come at the worst time in the struggle against inflation. The argument that the lack of a credible energy policy was a major factor in the weakness of the dollar, and that this pushed up the domestic inflation rate by 1 per cent since last year, with up to another point to come through this year, is dismissed as past history. The dollar is all right now, after all.

Where the current problems may help is in removing the environmental and other obstacles to accelerate construction of nuclear power stations, and to the greater use of coal instead of oil or natural gas (of which, incidentally, there is no shortage now). This in turn could help to improve the puzzling and highly disappointing productivity trend. Two reasons being put forward for it are the equal opportunities legislation, with its requirement to hire the requisite quotas of women and minorities (which particularly hit the service sector) and, relevant to the energy problem, the fact that if corporations

have to spend less capital on environmental grounds, they will have more to spend on productive equipment.

But here again the President faces a political problem: he is strongly supported both by the environmentalists and by all those who believe that he is in some way fundamentally opposed to the greater use of nuclear power.

That Americans should look to their President to provide leadership in times of trouble is nothing new. The dispersal of power which has taken place, the assertiveness of Congress, which is deeply fragmented and much more difficult to influence than in the past, are none of it. That was part of the inheritance in the post-Watergate, post-Vietnam era. As Chancellor Helmut Schmidt recently said of the German system (with much less justification than he could have said of the American one): "It is all checks and no balances."

The perceived weaknesses in and setbacks to foreign policy (due much more to a failure of presentation and education of the American people to the inevitable change in the ways in which American power can nowadays be used, rather than to errors of commission or omission) are reacting on the domestic scene.

No obvious candidate

The talk that Jimmy Carter may turn out to be a one-term President is damaging; all the more so since there is no obvious candidate within either party in sight. There is no new King to turn to (except for Senator Edward Kennedy, who says he won't run) only a large number of unsatisfactory pretenders.

For all those in the western world who look to the U.S. as a leader, it is a disturbing picture. Will there be another arms race, as can the President get a SALT treaty through the Senate? Can the U.S. avoid an inflationary but which would raise protectionist pressures even further and be deeply damaging to the world economy? Can the U.S. make a contribution to avoiding war and/or chaos in the Middle East? Are the Americans fundamentally still interested in what is happening in Europe, or are they moving inexorably towards even more intense concentration of their internal problems? President Carter's Washington affords much less clear an answer to these questions than we have all got used to in the postwar era. There are quite a number of people outside the U.S. who on occasion are both bothered and bewildered.

MEN AND MATTERS

Sparks flying as bills come in

As housewives studying their latest electricity bills will be realising, the Central Electricity Generating Board has had a record winter. Even in December, when the cold weather was just starting to bite, the CEGB sold 7.7 per cent more power than a year earlier—and December 19 was an all-time record with 44,107 megawatts generated. The overall figures for January and February are thought to be even higher.

All of this is sweet music for the regional electricity boards, if not for the Department of Energy with its seemingly moribund "Save It" campaign. As Marion Jordan, secretary of the Electricity Consumers' Council, points out, TV advertising by the boards for power-using appliances went on briskly throughout the campaign. "There might seem to be a fundamental conflict of interest," she says.

The birds—in the shape of those massive bills—are now coming home to roost. The London Electricity Board has recently sent out its demands for the quarter up to mid-February. I understand that welfare organisations are already being besieged by people in the "hardship categories" (once known as the poor) saying they will not be able to pay.

A forecast that this would happen was given a fortnight ago by Michael Barnes, chairman of the Electricity Consumers' Council. The shock is being staggered, however: the boards sent out their demands at different times, so that householders in most parts of the country have not yet received bills for the winter months. One irony is that many local authorities made their council houses all-electric in the age of cheaper power—because that



"They've cancelled the parachute but we should be able to unload them for veils!"

was the cheapest form of installation for heating and cooking. Now the tenants are protesting at demands amounting to well above £10 a week. Although gas or solid fuel would in many instances be cheaper today, the cost of putting in gas pipes—not to mention chimneys—would be prohibitive.

Old story

The Soviet Union and its allies thrive on stories of extremely senior citizens celebrating improbable birthdays. The Caucasus Mountains in particular, where yoghurt-eating centenarians fondly recall the Paris commune, provides an endless stream of such tales.

Over in Ulan Bator, capital of the Mongolian People's Republic, the East German news agency correspondent has just been jolted into action by the wedding anniversary of Ch Achajuu and Sh Chamba, who are celebrating their first century together.

As is usual in such cases, the couple are without birth certificates, but he insists he is 118, and his wife admits to 115. True to form, they attribute their longevity to good air, healthy food, and non-stop work.

Paper chase

A major national museum is to make an all-out effort to buy the massive collection of papers and paintings by James Grant, the African explorer, when these come up at auction today at Sotheby's. The collection, being sold by the Guise family of Highnam Court, Gloucestershire—descendants of Grant—may go for as much as £100,000.

The name of the museum is a close secret, but it is known that there are acute anxieties that the collection will go abroad and be lost to sight in a private collection. Part of the collection includes many completely unknown letters by John Speke, with whom in 1862 Grant visited what is now Uganda. They were the first white men to reach that part of Africa.

The Speke letters throws entirely new light on his bitter quarrel with another explorer, Captain Richard Burton. The only part of the collection which the Guise family had shown to academics is the Grant journals, these have been microfilmed by one American professor. Sotheby's call the collection the "most important archive of a major African explorer to have appeared at auction."

Queen's English

Over lunch with Miss World and various Berlitz luminaries yesterday—(they were basking in the publicity they have attracted by enrolling the Argentinian Miss W. as a student)—I learned that the school's historic style of teaching goes awry with certain nationalities.

"We stand on top of tables, as if we were going to jump out

of the window, until the student says 'don't do it.' It gets them speaking English," Miss W's tutor explained. Miss W, not yet having enjoyed her total immersion course, looked puzzled. "We give them £20 notes and say 'tear it,' the tutor went on. "The Italians are especially good, they never do. But some of the Iranians used to rip them to pieces without thinking twice."

Two-way bet

The last White Paper on public expenditure disguised its uncertainty with time-honoured phrases buried in the text, as in references to "the extent to which projections depend on... insecure econometric relationships."

The latest entrant to the overcrowded ranks of economic forecasters, stockbrokers W. I. Carr, by contrast hedges its bets with a new style of boldness. On the outer cover of several pages of detailed and apparently precise figures comes the warning, comparable to that on a packet of cigarettes: "Forecasts are tentative and subject to change." It sounds like the most reliable statement we can expect to see from a forecaster this year.

Crumbs of truth

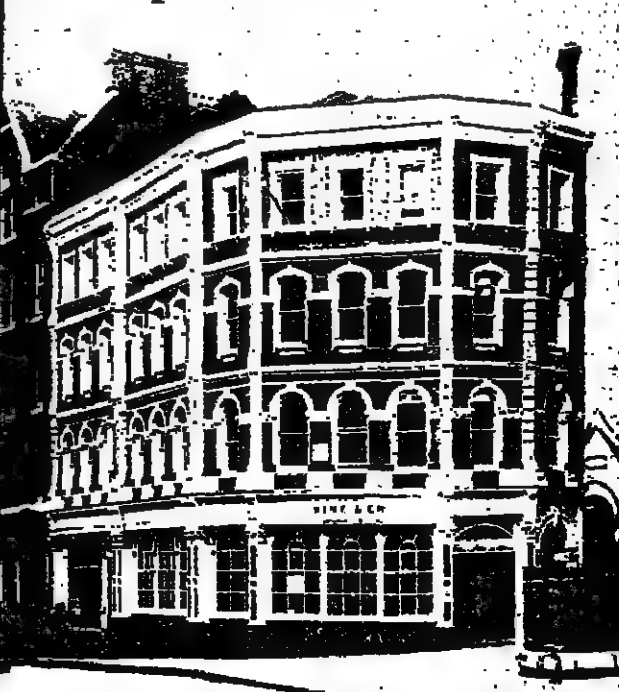
The Tass news agency has just sent out worldwide a picture showing some notably well-groomed Parisians lining up at a counter. Says the caption: "As can be seen in this picture the French are having to cope with a serious shortage of flour and bread."

What the tireless Tass cameraman forebore to mention is that the queue was at Poilane, the smartest bakery in the capital, whose costly wares are much sought after by gourmets with francs to spare.

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The scarce pilots

BY MICHAEL DONNE, Aerospace Correspondent



Glyn Gwin

GROWING shortage of pilots is one of the latest—and potentially serious—problems besetting the British air transport industry. Some time soon the industry, representing airlines of "general aviation" (including business aircraft) users, is expected to decide whether to petition the Government for financial help in overcoming this problem.

The shortage is not a sudden phenomenon. Many in the air industry have been forecasting it for some time, as demand for air travel itself grows, and as more and more "new generation" jets join fleets not only to cope with increase in traffic but also to replace existing ageing, noisy fuel-thirsty aircraft.

But there is little doubt that the rate at which the pilot shortage has been overtaking the industry has quickened in the past year or two, largely as a result of the speed with which air travel has recovered in the doldrums of the mid-1970s and subsequent industrial action. During that time, many airlines either halted recruitment, or slowed the pace of training, or both. Big airlines such as British Airways even sent some pilots on furlough because they had not enough work for them. Many pilots at overseas to expanding air traffic in the Third World. Some quit the industry, and others took jobs.

Now, the situation is changing. Traffic is rising again—up 10 per cent in the UK last year. New fleets are on order: British Airways has ordered 19 Boeing 737s and 23 Boeing 737-400s, and is expanding its Jumbo jet 747 fleet. Last year, ending BA, five UK airlines either ordered a total of more than 40 Boeing 737s, and throughout the world more than 100 jets were ordered, valued at over \$5.5bn. Simultaneously, many older pilots who had served since World War II have retired, or are about to do so. The RAF, once a source of pilots, is having difficulty getting enough of its own and is holding on to those it has got. Some of its transport pilots want to leave for the higher pay available in the airlines.

A recent study by the Air Transport and Travel Industry Training Board, based on the views of 19 UK airlines, showed that the shortage of demand over supply could amount to 242 transport aircraft pilots by the end of this year, rising to 426 by end-1980 and rising further thereafter to reach a cumulative total of 1,082 pilots by 1988. This figure may not seem large, but in fact it represents about 20 per cent of the expected net average annual "pilot stock" of about 5,800 in the period 1984-1988. Moreover, it is a 20 per cent shortfall of key personnel—pilots without whom airlines cannot fly. Such a shortage would impose severe operational

depending on seniority, although that is the peak of a career that can take a man many years to reach, probably not until a man is in his 40s or even 50s, from a starting base of between £4,000 and £5,000. Pilots' pay varies widely throughout the world. In the U.S., some senior captains can earn as much as \$80,000 or more a year, while even in Europe, allowing for higher living costs, some senior pilots get paid more than their UK counterparts, for example in France.

But there are tough conditions in a pilot's life. The responsibility of commanding a Jumbo worth over \$50m with over 400 lives aboard is considerable. A high standard of character as well as skill is needed. The hours worked are often long, frequently through the night, and the pilot is often away from home for weeks at a time (if he is a long-distance pilot). The working conditions are uncomfortable—flight decks are cramped places in which to sit

regular hurdles to overcome that are not faced by other professional people—such as strict medical and proficiency checks every six months which, if failed, can mean the loss of his licence and perhaps even the end of his career. Furthermore, the road to eventual command can be long, perhaps 20 years or more. The RAF, even if there were an adequate supply of suitable aspiring applicants—which there is not—the rejection and drop-out rates en route to the top are high.

Educational standards, and, more important, aptitude, have to be high. While any educational deficiencies can be rectified up to a point, lack of aptitude cannot. Thus, for every 1,000 would-be pilots, only a bare dozen or so are likely to make it through to the flight deck and high command. One of the industry's problems is that because of the stringent requirements, many who might have thought of a pilot's career get frightened off, preferring less arduous activities.

The industry's Training Board has set out to try to do something about the emerging problem. British airlines already spend large sums on pilot training. The 19 airlines canvassed by the Board said they expected to spend collectively about £15m in 1979 on training, rising to about £20m next year, and further to an average close on £30m a year in 1984. The average cost of training a pilot from scratch (called "ab initio" in the airline business) to initial Commercial Pilot's Licence and flight-deck status is estimated at about £20,000, but this could rise substantially in the years ahead. Moreover, this is only the beginning, for once in possession of a CPL, the pupil-pilot still has to pass through his preliminary flight-deck training with the airline.

There are various sources of

pilot supply. The "ab initio" training is largely paid for by the airlines themselves, and is undertaken by specialist flying schools—the Oxford Air Training School at Kidlington (with a division at Carlisle); Air Service Training at Perth; and the College of Air Training at Hamble (which is sponsored directly by British Airways). Another source is the flow of pilots from the RAF, which is limited. There is also a limited inflow of private individuals, who pay for their own schools, while there are some pilots returning from work overseas. But some of the major establishments in the UK, such as the Oxford school, are busy training hundreds of pilots for overseas airlines, which recognise the high quality of the tuition, and thus the pressure on available places is heavy.

At a recent conference of all the interested airlines and other parties, including representatives of business aviation, the Training Board discussed five possible options for the future. Two of these it rejected outright as unsuitable—letting the forces of the market-place solve the problem, and imposing some form of penalty on airlines which do not train their own pilots, but rely on recruiting from elsewhere.

The first was rejected because it would solve nothing. It would not result in an improved supply of pilots, because of the limited sources available and the heavy costs, while it might also encourage "poaching" from the airlines as supply becomes tighter. The second was rejected because the imposition of penalties on airlines would be difficult to administer, and would not produce enough cash to be worth while. More over, it would introduce the novel expedient of punishing someone for not doing something that he was not required to do by law anyway.

But the three other options were given careful study. They were:

Option Three: Raising over a five-year period voluntary contributions from the airlines for an "ab initio" training pool, helped by some Government cash; this would be coupled perhaps with a financial penalty where "poaching" from the pool was proved.

Option Four: Soliciting Government aid over a five-year period, and raising cash to pay for the industry's share by what is called a "consensus levy" on the air transport industry—something the Government-established Training Boards can do by majority approval of the

industry concerned; and Option Five: Seeking longer-term government support for making pilot training (up to Commercial Pilot Licence standards) a normal professional college or university course, with fees paid out of national education funds.

The Training Board itself believes this last option (No. 5) is the best long-term solution to the problem. It believes that because the Government accepts graduate training costs for engineers, architects, dentists, doctors, computer technologists and so on, as a charge against the central education budget, a good case can be made for doing the same for pilots. Much of a pilot's training involves general subjects, such as mathematics, physics, aerodynamics, meteorology, navigation and so on. The board believes that many graduates leaving university might be tempted into pilot careers, if only they were approached in the right way, and their university courses subsidised.

At the same time, however, the board also believes that the adoption of options 3 or 4, involving soliciting some kind of aid from the Government while expecting the industry itself to put up some of the money,

might be helpful in the short-term. The precise levels of aid from each source are not yet worked out in detail, but they would clearly amount to several million pounds a year, with much of it coming from the air transport industry itself.

These options are now being considered by the airlines, and they are expected some time this month to meet again under the aegis of the Training Board to exchange views and, it is hoped, to decide upon a common policy for the future.

What that policy will be, no one yet knows. Views among the airlines differ, and while big airlines like British Airways can afford to finance pilot training at schools such as Hamble, smaller airlines cannot and have to find their pilots elsewhere.

But all are agreed that something will have to be done if they are not to find themselves severely short of qualified aircrew in the years ahead. They know that the emerging shortage is world-wide, and that foreign airlines will seek to make good their own shortages wherever they can—and that means the UK, with various inducements such as higher pay and more favourable working conditions.

THE GROWING PILOT SHORTAGE*

| | 1979 | 1980 | 1981 | 1982 | 1983 | 1984-88 |
|----------------------|------|------|------|------|------|---------|
| Demand | 383 | 394 | 406 | 441 | 466 | 599† |
| Supply | 141 | 200 | 304 | 326 | 329 | 439† |
| Annual shortfall | 242 | 194 | 102 | 105 | 137 | 120† |
| Cumulative shortfall | 242 | 426 | 528 | 633 | 770 | 1,082 |

*Findings of an enquiry among 21 British airlines conducted by the Air Transport and Travel Industry Training Board.

†Average per year

and financial restraints on any industry, but to the airline industry, it could be crippling. The shortage is not confined to Britain. In the U.S., a shortage of some 2,000 pilots is expected by 1980, and many major airlines in the world are beginning to find it difficult to get them. This might seem surprising in an industry where the top pay (in the UK) is around £14,000 to £18,000 a year.

for hours at a time—and there can be no question of any "tail-lag" off concentration as the working trip draws to a close. On the contrary, the pilot must then be at a peak of concentration, for landing his aircraft after a long overnight flight, perhaps in severe weather conditions and still in darkness, requires every atom of skill and alertness he possesses.

Moreover, the pilot has some

Letters to the Editor

Running a deficit

The Managing Director, Engineering Investment Management Services.

No finance director in the industry would readily accept a capital at current interest rates, fixed for 20-25 years. The cost in new corporate debt is not non-existent (and it is not at the rates of interest prevailing in recent years). Yet the British Government continues to borrow vast sums at very high interest rates for long periods.

There is evidence at all times of borrowing on periods at high interest rates, subject to critical appraisal either at the Bank of England or within the Treasury or within the Cabinet? If so, why does borrowing continue rather than opting for short-term funds of public sector borrowing treasuries, until long-term interest rates decline to more realistic levels? If the "benefit" of deficit financing can be achieved at the cost of maintaining interest rates at a level which on realistic basis "crowds out" the private sector from the long-term debt market, and which bits growth of the private or of the economy, what is achieved by running a deficit?

It seems to me to reduce to proposition that public expenditure is more able of creating genuine economic growth, genuine increases in employment and national wealth than a far amount of expenditure on the private sector. If one believes that, one believes in the national interest.

It is in the national interest to cut the growth of public sector relative to the private sector, and that new issues long-term Government debt current rates of interest be reduced. Everyone in the financial community has the responsibility to point out the folly of financing with totally diluted assets and monetary policies which have been a curse of British Governments recent years.

There are good grounds for believing that the present Government is beginning to pursue an orthodox policy—for example, the new policy on exchange rate which represents a revolution in thinking. "Inflation" is no longer regarded as a positive asset, clear objective is exchange rate stability.

What is urgently needed is a comparable revolution in thinking, the benefits, relative to costs, of budget deficits, on the wisdom of HMG, uniquely, considering it sound to issue dated paper at current very high interest rates. The theory of the benefits of deficit financing when such deficits can be financed at very high rates of interest should be subjected to the comparable analysis which has discredited the theory of "advantages" of devaluation in favour of exchange rate stability. Is it too much to hope that costs of budget deficits be subjected to equally rigorous open-minded analysis alongside until proven the mythology that "deficits" represent a favourable medium long-term influence on employment, profitability, profit, capital investment and the

creation of real economic wealth. One recognises, of course, that any move to a balanced Budget to eliminate the deficit could only take place over a number of years to avoid major economic disruption. The difficulties of a solution should not be allowed to prevent rational analysis of the problem.

Peter Baker,
19, Haverhill Square, W.1.

Support for innovation

From Mr. A. Mappes

Sir—While I strongly support your view (March 6) that the innovation process in industry integrally involves manufacturing, finance and marketing as well as R and D, I challenge your suggestion that "excessive preoccupation with research" is one of the shortcomings of previous policies. In fact, there is considerable evidence that, as a result of recent cuts, R and D in general and basic research in particular are now receiving inadequate support.

Job opportunities for researchers have been reduced, both in government establishments and in industry; in our Universities, there is still no secure career for those researchers who are not also academic teaching staff, with the result that several thousand highly qualified and skilled scientists are now out of work, while others could well be joining a new brain drain. If anything, grants in support of R and D at Universities tend to be assigned to investigations that are overspecialised and too oriented to the requirement for immediately applicable results. There is rather limited backing for those fundamental researches that provide full scope for the free play of the creative imagination and lead to speculative ideas that now and again contain the seeds of far-reaching technological breakthroughs that could be implemented in the distant and sometimes not-so-distant future.

Such "potential breakthrough" projects are the "risk ventures" of R and D, for which few R and D budgets as yet provide adequate "risk capital."

Alan J. Mayne,
63a Muswell Avenue, N.10.

Maritime policy

From Elizabeth Young

Sir—If the House of Commons Select Committee system is reformed (Malcolm Rutherford, February 23) into 12 specialist committees to cover responsibilities of existing Whitehall departments, some major subjects—those which lie fallen to the ground between Whitehall stools—will continue unexamined.

Maritime policy is possibly the most important of these: it is one which Parliament has yet—despite the excellent work of the Trade and Industry Subcommittee under Dr. Edmund Marshall and the Science and Technology Committee under Arthur Palmer—to get to grips with.

No senior Minister is responsible for more than the procedural co-ordination of our mari-

time policy: virtually every senior Minister is responsible for some element, large or small. The result is that the system which landed us with—among other unnecessary and expensive affairs—the cod wars and the common fisheries policy, is still at work, contributing to confuse domestic issues and to disregard innumerable opportunities abroad.

Under a 12-committee system, maritime policy would still remain, would it not, unexamined and stagnant?

Elizabeth Young,
100, Baywater Road, W.2.

Petrol per litre

From Mr. A. Dunkley

Sir—Sue Cameron (March 7) made me wonder what will happen when petrol pumps go metric. Could not existing pumps be converted to litres per gallon and thus obviate the need for 110,000 petrol pumps to be converted to prices in excess of £1?

Mr. A. Dunkley,
Tigand Farm, Headley,
Bordon, Hampshire

Advertising on the BBC

From the Principal Lecturer in Management Studies, Sheffield City Polytechnic

Sir—Mr. Bescoy's analysis (March 8) encompasses the field of the BBC establishment, politicians and BBC staff. He has not considered, I believe, the consumer.

There are consumers who foresee with dismay the possibility of advertising on BBC TV, with all its dreariness of substitution of image for substance, of "imitation" people for real people, and, above all, dreariness of the underlying motivational and perhaps ethical assumptions. Any thinking viewer of ITV is already reconciled to all this, or changes channel, or switches off.

With regard to programmes, the commercial approach applauded by Mr. Bescoy within the BBC prompts the questions: "Who is paying?" "How much are they paying?" and "to what extent do these factors influence my decision making?" Any proposal to legislate against such questions is unrealistic. Thus if Mr. Bescoy's time field is extended, there is a real danger that programme decision making may be influenced by the answers to the first two questions.

From the above analysis, the danger to the consumer is twofold: he will be subjected to the advertisements—for some an unpleasant experience—and the programmes themselves may be expected to suffer in time. A more pragmatic approach to the same problem is instanced by: "You get the quality you pay for"—ask any engineer or commercial man in capital plant, and "He who pays the piper calls the tune"—ask any Highlander.

The answer is for those consumers who want quality programmes to be prepared to pay a quality price. The licence fee may have to rise sufficiently to cover the desired quality of programme and staff in the BBC. The consumer who finds the economic implications disturbing may choose between going down-market in programmes or down-market in his TV set; he might trade in his

colour set for black and white, or buy second-hand. As in business, there may be trade-offs between objectives.

K. I. McKenzie,
Sheffield City Polytechnic,
Westbourne Road, Sheffield.

Electrifying the rails

From Mr. S. Leslie

Sir—It is unsurprising that Mr. Rogers says (March 8) that he finds the British Road Federation's views on British Rail proposals for further electrification "depressing." Anyone reading the BR discussion paper would be depressed. The paper relies more on vague references to energy shortages, "improved comfort," and business-school buzz words such as "synergy" than on a reasoned economic or financial case.

Indeed, the BR chairman admits that "the short term difficulty is the financial justification for the schemes." In the context of the famous £800m Treasury memorandum this "short term difficulty" may prove easily soluble.

The real cause for depression lies not so much in the shakiness of the BR case but in the nature of the electrification review group. This consists of the BR vice-chairman and the head of the Department of Transport Railways Directorate, hardly disinterested parties. Surely we have gone beyond this? The Leitch Committee, one of whose terms of reference was to examine the issue of comparability of investment appraisal between modes, recommended a standard method of assessment for both rail and road investment could and should be implemented at the strategic level.

BRF has called for an independent commission to look at the allocation of investment resources between modes and the electrification case in particular. Such a commission is essential for an objective examination of BR's proposals. For example, it is doubtful whether such a commission would accept without question the BR contention that greater use of electric trains would inevitably result in a cost saving due to the reduced manpower requirement arising from the claimed lower maintenance needs.

Nor would an independent commission automatically subscribe to BR's belief, shared by the Transport Officers' Guild, that electrification would necessarily reduce oil consumption. As long as oil remains the marginal fuel for electricity generation, any increase in electricity demand will be largely met by a greater oil burn. So if there is no economic, financial or energy case for more electrification what reason is there—BR's unhappiness at being low down in the international league table of electrified networks?

The fundamental fault of the present review is that it is unlikely to produce the benefits foregone which would result from diversion of funds from road investment (or for that matter other forms of rail investment). And in environmental terms it cannot make sense for needed by-passes to be further delayed for the sake of BR board prestige.

S. H. Leslie,
(Economist),
British Road Federation,
383-396, Oxford Street, W.1.

Today's Events

U.K. Amalgamated Union of Engineering Workers' conference, Winter Gardens, Eastbourne.

Confederation of Public Health Employees demonstrate against pay offer.

Health and Safety Executive publishes report of investigation of 50m fire and explosion at Braehed Container Depot, Renfrew.

Mr. Edward Heath speaks at Westminster Chamber of Commerce lunch, Dorchester Hotel, W.1.

Mr. Norvut Suwara leads Thai selling mission in UK (until March 16).

Sir Derek Exra, NCB chair-

man, speaks at National Federation of Building Trades Employers lunch, Royal Lancaster Hotel, W.2.

Overseas: Mr. Takeshi Yasukawa, Japan's Ambassador for External Economic Affairs, starts nine-day European tour, visiting Paris, Bonn, Brussels and London.

Mrs. Fabrizia Baduel Glorioso, EEC Economic and Social Committee leader, on official visit to Athens.

EEC heads of state conclude meeting in Paris.

European Central Bankers meet in Basle.

debate on the M25.

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COMPANY MEETINGS

Investors' Capital Trust, 8, Charlotte Square, Edinburgh, 12.30. A. Kershaw 38 South Street, W. 10.30. Rank Organisation, Royal Lancaster Hotel, Lancaster Terrace Hyde Park, W. 12. United Scientific, Grosvenor House Hotel, Park Lane W. 12.



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Pentos expands 23% —prospects ‘excellent’


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R-R Motors climbs to £14.6m: strong demand

PROFITS before tax of Rolls-Royce Motors Holdings rose 33 cent from £11m to £14.6m in 1978 on turnover up 25 per cent to £152.2m.

First-half profits had improved to £7.2m to £8.4m and the directors were then anticipating satisfactory outcome for the year.

Basic earnings per 25p share shown at 16.15p against 12.5p and the final dividend is 5p making a total of 5.23p compared with 4.3p previously.

Respects for Rolls-Royce and its motor cars remain strong with demand in major markets at home and in the U.S. remaining very strong the director says.

It is planned to increase the production of the car business next year, although output was low planned levels during the year of 1979 due to the effects of the dispute in the road

age industry.

The company's surveys, Chester, re-valued the land and buildings of the principal subsidiary, Rolls-Royce Motors on an open market basis as at December 31, 1978. The resulting surplus of £2.35m has been added to non-distributable reserves after deducting the expenses of the valuation.

The directors say two of the principal markets for Rolls-Royce diesel engines, generator sets and fighting vehicles have suffered setbacks during the past few months.

The major export markets for generator sets manufactured in Great Britain include Nigeria, Iraq, Iran and Turkey, all of which for a variety of reasons virtually ceased to take deliveries of such equipment.

Political events in Iran have caused the cancellation of an order for 1,350 British main battle tanks with the Rolls-Royce V12 engine. Manufacturing facilities for the V12 engine were funded by the government and when the contractual negotiations concerning the cancellation are completed the company should not suffer serious loss.

However, the projected earnings of this programme will not materialise and in addition the task of launching the commercial V8 and V12 engines will be made more difficult since the facilities for manufacturing both are closely related.

As a result it has been necessary to restrict the working week in the diesel engine factories to four days until market conditions improve. While it is not possible to forecast the out-turn in the diesel engine business for the year it is hoped that profits, albeit at a lower level than in 1978, can be achieved, the board states.

The aerospace components business has good forward order cover and will show significant improvement in the 1978 figures. The year-end balance sheet shows net current assets of £24.63m (£25.54m). There is a £3.66m increase in bank overdraft (£1.72m decrease) a £244,000 (£6.33m) decrease in bank balance and £3.66m (£1.31m) increase in notes and bills payable.

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Mr. Ian Fraser, the chairman of Rolls-Royce Motors, seen with the Silver Shadow Mark II.

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Ayer Hitam foiled on lease renewals

BY PAUL CHEESERIGHT

THE POLICY of seeking greater control of the local tin industry, adopted by the state Government of Selangor, in Malaysia, has moved a stage further with the announcement that Ayer Hitam Tin Dredging is having lease talks with Kumpulan Perangsang Selangor, the state-owned mining company.

Ayer Hitam yesterday said that two mining leases were involved. They cover an area of 834 acres. The company applied for a lease extension in 1976, but this has now been rejected by the Government, which has instead granted the leases to KPS.

Government's action is similar to the steps taken when Berjuntal, like Ayer Hitam a member of the Malaysia Mining Corporation group, applied for a renewal of leases. KPS will now presumably seek to negotiate a joint venture.

Part of the reason for Ayer Hitam's No. 2 dredge falls within the lease area in question and the company said, "Discussions with KPS are now in hand with a view to continuing mining operations within the area."

KPS, however, will be more significant for the medium-term than for the immediate future. Apart from the movement of the No. 2 dredge, operations are not likely to be materially affected this year.

Earnings are, in any case, on a strongly rising trend. With production markedly higher than in 1977-78 and metal prices at an increased level, net profits in the six months to last December were M\$5.58m (£1.25m) against M\$2.7m (£0.6m) for the same period in 1977. The interim dividend is maintained at 150 cents (33.3p) gross of Malaysian tax. Total payments for 1977-78 were 300 cents.

Should Ayer Hitam reach an agreement with KPS, it will be the fourth company to do so since the Selangor Government announced its policy of greater intervention towards the end of last year.

Berjuntal has recently secured its mining leases and entered into a joint venture with KPS. Pacific Tin Consolidated also has a joint venture, while KPS has reached an agreement with Brooklands Rubber Estate to buy tin-bearing land from it on a piece-meal basis. Conzinc Rionda Malaysia already had an agreement with the state Government.

The London market has taken these developments quietly and yesterday marked Ayer Hitam up 10p to 385p on the strength of its earnings and dividends. Similarly, Malaysian Tin, up 5p to 460p, and Southern Malaysian, up 15p to 400p, advanced following their interim figures announced last Friday.

These three companies are the only producers of any size in the MNC group whose production, all after eight months of the current financial year, has reached a higher cumulative total than at

the corresponding stage of 1977-78.

The latest output figures for the group mines are set out in the accompanying table:

| | Feb. | Jan. | Dec. |
|----------------|--------|--------|--------|
| tonnes | tonnes | tonnes | tonnes |
| Ayer Hitam | 152 | 119 | 120 |
| Berjuntal | 325 | 353 | 287 |
| Kamunting | 52 | 46 | 43 |
| Kuantan | 15 | 19 | 18 |
| Lower Perak | 242 | 222 | 220 |
| S. Kinta Cons. | 128 | 153 | 158 |
| Sihim, Malayan | 174 | 212 | 247 |
| Sungai Besi | 233 | 224 | 218 |
| Tongkah | 81 | 110 | 45 |
| Tromps Mines | 126 | 74 | 181 |

At Kestong Tin Dredging yesterday declared a gross interim dividend of 3.0p, compared with 1.5p at this time last year and a total payment of 8.5p for 1977-78. Pre-tax profits for the six months to last December were £17,890 against a loss of £35,329 in the 1977-78 first half.

FORDING COAL

Fording Coal, whose Elford mine is the second largest metallurgical coal operation in Canada, has embarked on a C\$15m (£6.2m) expansion plan to develop additional sales.

The expansion plan includes a new silo, with capacity of 15,000 tonnes, the completion of underground development work in preparation for a future hydraulic mine.

Mr. J. H. Morrish, the Fording president, said the company was developing a more aggressive selling policy. The mine has a long-term contract to supply Japanese steel mills with 3m tons of coal each year. Fording is 60 per cent owned by Canadian Pacific Investments and 40 per cent by Cominco, itself a subsidiary of CIP.

MINING BRIEFS

RAHMAN HYDRAULIC—February output of tin concentrates 57 tonnes (January 70 tonnes).

SAINT PIRAN—February production of tin concentrates by group companies (figures in tonnes) UK 234 (70 per cent tin metal), Malaysia 17, Thailand 91, January outputs: 199, 40 and 74 respectively.

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MINING NEWS

Utah looks at two new mines

UTAH DEVELOPMENT, the major Australian coal producer which is controlled by General Electric of the U.S., is looking beyond the coming-on-stream of the massive Norwich Park venture and is examining the possibility of starting two new opencast mines in Queensland.

The group's annual report stated that leases held by Central Queensland Coal Associates, in which it has a 76.25 per cent stake, contained two other areas apparently suitable for mining.

The disclosure is a practical affirmation of the confidence expressed in the annual report. In the next few years, Utah Development expects to see growth resume in the Japanese and European steel industries and new customers for coking coal emerging in South America and Asia.

Last year the group's coking coal shipments increased fractionally to 16.1m tonnes, with Japan providing 62 per cent of revenue and Europe 33 per cent. But a lengthy strike and the introduction of a new profits tax checked the upward trend in earnings and held them at A\$138.2m (£76.2m).

Norwich Park, which will be the fourth opencast mine owned by CQCA, is expected to start production in the middle of the year. It is Utah Development's biggest project, costing A\$245m. At an output of 4.3m tonnes a year, it will lift Utah Development capacity to 22m tonnes.

Officials from Halsider, the Italian steel group, have visited Oak Creek, the A\$300m coal project of Houston Oil and Minerals Australia, to discuss the possibility of purchases worth A\$30m. They also had talks with Mr. Ron Camm, the Queensland Mines Minister.

HUDBAY REVISES EARNINGS

Hudson Bay Mining and Smelting, a Canadian arm of Anglo-Bonare Mines of Vancouver is negotiating finance for a C\$1.0m (£414,850) programme to establish reserves necessary for an opencast mine at the Adit area of its Hercules silver-lead-zinc property near Cambridge, Idaho.

The firmness of the gold price has induced Klenz Gold Mines in the Falkland Islands group to authorise a new feasibility study of its gold property in the Malartic district of Quebec. There are three shafts at the property, which will have to be de-watered. Development was contemplated in the 1960s but rejected as uneconomic. Reserves in the main zone are put at 2.7m tons averaging 0.232 ounces gold.

Marlevale Consolidated, the South African gold mine nearing the end of its life, controlled by Union Corporation, will carry on in milling surface dump rock until about December 1980, according to Mr. W. R. Weeks, the chairman, in his annual statement. Earlier estimates had given March 1980 as the likely date for the end of milling.

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Clydesdale Bank rise to £21m

PROFITS of the Clydesdale Bank increased from £10.1m to £14.6m in 1978, before tax, compared with £11.45m in 1977.

The bank's profit of £14.6m (£14.6m) was a result of a policy of cost-cutting and a reduction in provisions for bad debts.

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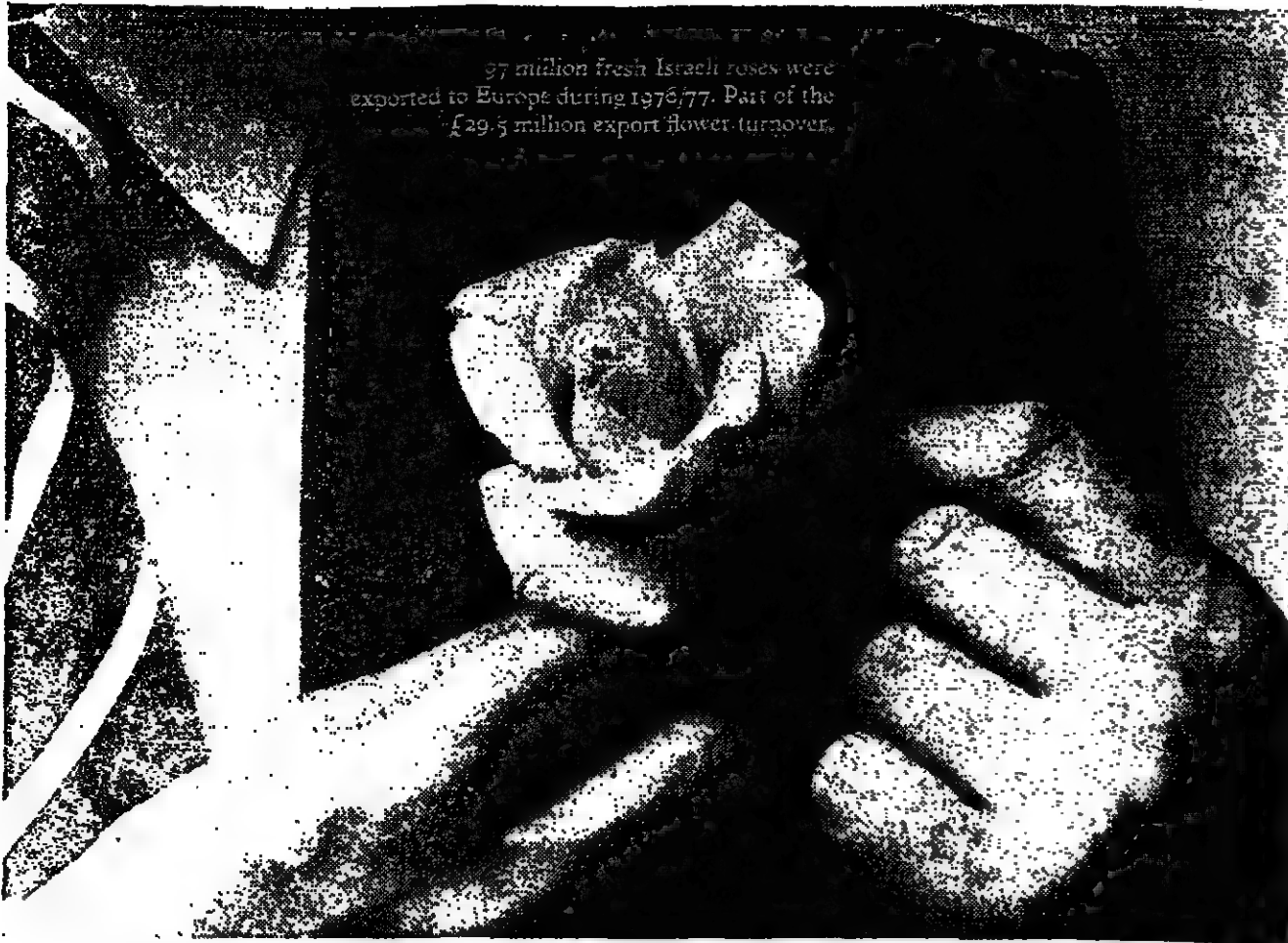
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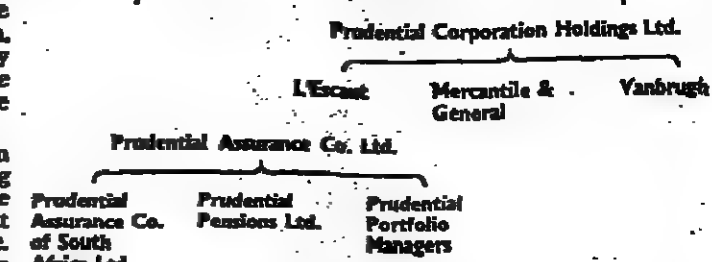
New York, Los Angeles, Chicago, Boston, Zurich, Paris, Toronto, Montreal, Buenos Aires, Sao Paulo, Caracas.

A parent holding company produces a new Pru

BY ERIC SHORT

THE NEW STRUCTURE

PRUDENTIAL CORPORATION LIMITED



LAST YEAR the Prudential, Britain's largest life insurance company, announced a major change in its existing structure. This consisted in setting up a holding company, called the Prudential Corporation, which, while not an insurance company itself, would control all the insurance operations of the group.

The Prudential Corporation came into being at the beginning of the year. Last month, Eagle Star Insurance announced that it was following a similar route. Although holding companies are the normal method of controlling industrial conglomerates, it is very much a novel idea in UK insurance groups. Why should such changes be made at all, and what differences will it make to the operations of the Prudential and other insurance groups?

The popular image of the company is still very much that of the "Man from the Pru" — implying stability, perhaps stodginess, but certainly a down-market home service operation. But although the Pru is still by far the largest in this area, with over 9,000 field staff, it has expanded from this base into all sectors of the insurance industry, both by organic growth and by acquisitions.

The Pru is now second only to Legal and General Assurance in the group pensions field. Its acquisition of Vanbrugh Life (formerly Vavasseur Life) has made the group number three in the linked life field. Its takeover of Mercantile and General reinsurance has brought a major reinsurance group into the fold. The group has expanded its overseas operations, non-life as well as life, in many countries. It is now a large insurance conglomerate earmarked by Labour Left wingers as one of the seven UK insurance groups to be nationalised.

become more important and also more complex.

The management felt that the time had come to separate the responsibilities of controlling the group from those of running the various subsidiaries. The solution was to establish a newly created parent as a holding company, with the sole function of ownership of the group.

Flexibility

This, the Pru feels, will provide the flexibility of management needed for the future running of the group. But even now Prudential Corporation is in existence nothing is cut and dried. Instead, it has been decided to form the holding company and then ascertain by experience the most suitable method of operations.

Broadly, the Corporation will be concerned with establishing an operational framework within which each company will operate, and will concentrate on co-ordination of the group's activities and the allocation of resources. The day to day operation of each company will remain the responsibility of its own board and management.

Less time

The old Prudential Assurance Company had reached a state of development in which the various subsidiaries had become substantial companies in their own right. The top officials in the Pru found that they were becoming more involved in running the group and had less time to devote to the affairs of the various companies. The kind of overall planning which had become necessary if the group was to fulfil its potential had

ing chart. The split into four operating subsidiaries is considered the most natural development from the previous organisation. Mercantile and General Reinsurance, Vanbrugh Life and L'Escout, the Belgian life company, operated virtually independently of Prudential Assurance even before this new development. The one surprise is that the Prudential Assurance Company, with its variety of operations in life and non-life in the UK and overseas, has not been split into separate components. Obvious moves, for instance, would be to separate the UK and overseas operations. But it is felt that in view of the inter-related operations of the various activities of Prudential Assurance, a physical split would be neither desirable nor practical at present.

Because of the flexibility of the new structure, such splits could be made in the future much more simply than under the previous organisation. It is quite possible that legislation could force such changes on the Pru, as on all other UK insurance groups, sometime in the future. Indications from the European Economic Community are that insurance groups may be forced to separate life and non-life operations as is already the case in West Germany. Mr. Tony Ratcliffe, chief general manager of Eagle Star, points out that an application for a licence to do life business in one unnamed European country has already been turned down because the group had a licence to transact non-life business there.

The transfer to a non-insurance holding company also provides flexibility in other areas of operation. The Prudential Corporation, being a new company, is free of statutory dividend limitations.

The Pru's dividend announcement is due towards the end of this month. The group has maintained all along, however, that dividend freedom is a marginal benefit to the change rather than the main reason for making it. The Eagle Star, for its part, will not be able to get the holding company into existence before the 1978 dividend is declared.

The new arrangement offers real flexibility on the financing front. If an insurance company raises loan capital, has no beneficial effect on solvency. It merely creates liability to match the new assets leaving its capital base unchanged. To boost its solvency margin—that is, its shareholders' funds expressed as a proportion of premium income—it has to raise equity capital. The Pru itself acquired Standard Trust for just this purpose.

But the holding company could, if it wanted, borrow money in its own right to put up the equity capital of an insurance subsidiary. In practice, this could probably be achieved by a diversified business like the Pru and even then there would be limits on how far it could be taken. It could be a big help in certain circumstances when values collapse, as they did in 1974 for instance. In such circumstances a rights issue would be very difficult but a group like the Pru's could borrow the money.

Solvency

There are other financial benefits. The solvency margin calculation for Prudential Assurance will be separated from that of the Mercantile and General. Under the previous system, Mercantile and General had to be consolidated with Prudential Assurance, thereby depressing the solvency margin of Prudential Assurance. This segregation facility will be even more important to Eagle Star with its substantial non-insurance trading interests in Grovewood Securities. The method laid down by the Regulations in the Insurance Companies Act for valuing such non-insurance holdings was determining solvency margins results in a heavy write down of the real worth. What shareholders want to see is its worth to them, and a holding company this year is possible.

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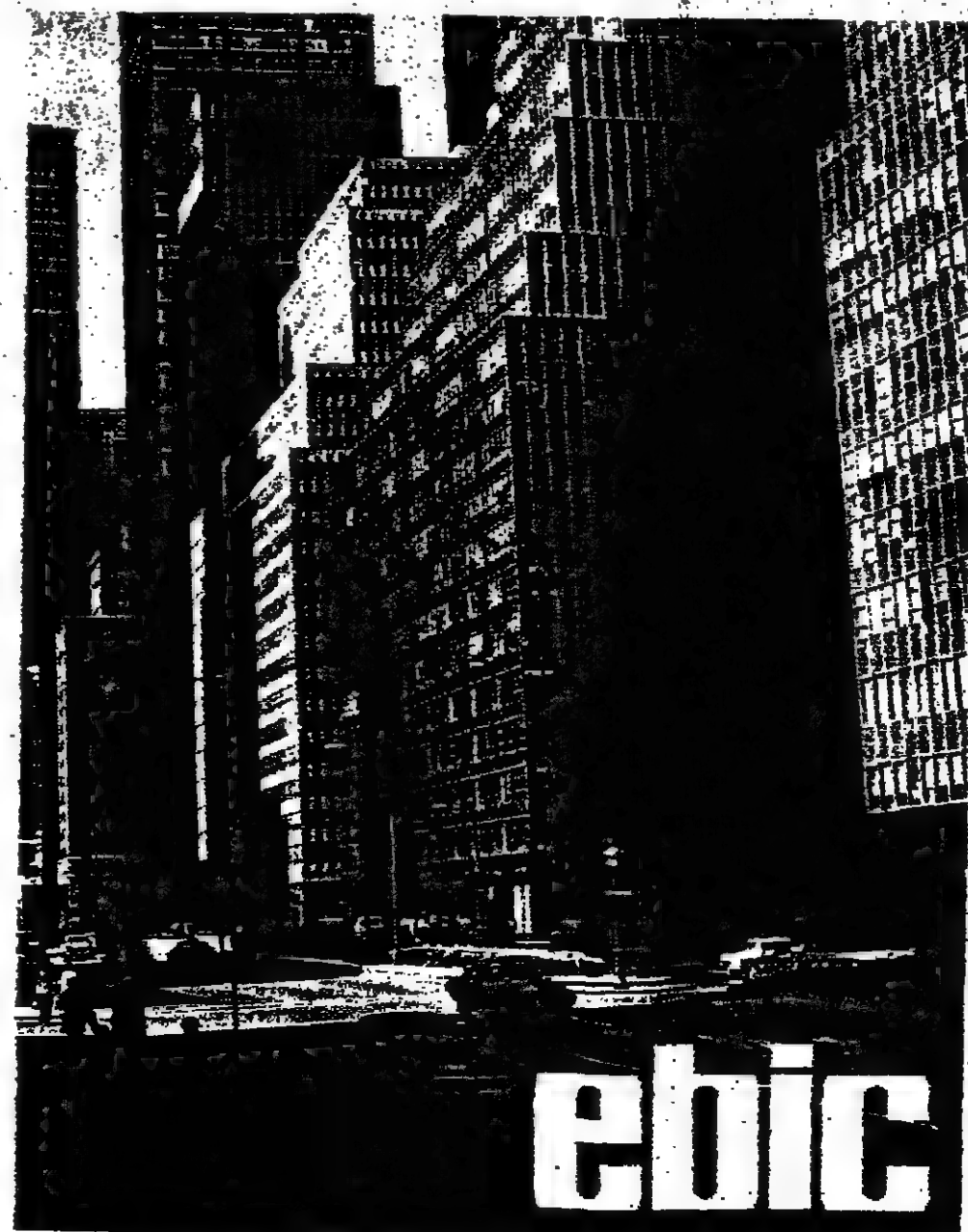
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Société Générale



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European Banks International

BIDS AND DEALS

Bejam pays £5m for EMI restaurant chain

BY ANDREW TAYLOR

AN acquisition worth £5m by Bejam Group, the freezer food concern, is to be made in the fast-food restaurant business with the purchase of a chain of 38 restaurants owned by EMI. All but 12 of the restaurants, which are in the London area, many of them dining under the Wimpey and Miesse Pancake banners, are to be sold to Bejam. The first 12 restaurants are to be sold to Bejam later this year. Mr. Laurence Don, deputy chairman of Bejam, said that fast-food restaurants were a natural extension of Bejam's existing frozen food business. He said that the group had been planning this for more than 12 months. Mr. Don said that Bejam had been very impressed by the success of the MacDonald fast-food chain—which only recently had operations in the UK—hoped to run the Trumps in on similar lines. He said, however, it was not intention to draft the restaurants acquired from EMI Trumps although one or two of them may join the new group.

EMI's review of some of its activities has come at a time when the group has faced significant losses on its scanner business which absorbs a high percentage of research and development costs. Mr. John Read, EMI's chairman, said last night that to sustain the 38 fast-food outlets he had required EMI to make a further significant investment. He said that the group had been planning this for more than 12 months. Mr. Don said that Bejam had been very impressed by the success of the MacDonald fast-food chain—which only recently had operations in the UK—hoped to run the Trumps in on similar lines. He said, however, it was not intention to draft the restaurants acquired from EMI Trumps although one or two of them may join the new group.

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The business is now being carried on by Granger, a wholly owned subsidiary of Edmund Nutall which will trade under the name of Mears.

HARSCO/DARTMOUTH

Acceptances of Harco Corporation's for the capital issued and to be issued of Dartmouth have been received from the holders of 91.4 per cent. The offers have become unconditional and remain open. Harco intends to acquire compulsorily any outstanding shares in Dartmouth.

MR. DIPRE LEAVES TRIDANT PRINTERS

Mr. Remo Dipre and four other directors have resigned from the Board of Tridant Group Printers. The others are Mr. A. M. Carey, Mr. D. Ennor, Mr. D. M. Mackay and Mr. B. N. Weatherill. The move follows the completion of the takeover of Tridant by Argus Press, a subsidiary of British Electric Traction.

Mr. Dipre's own side deal with Argus—whereby his private company, Starwest, would buy the legal and professional division of Tridant—was blocked on Friday by former shareholders of Tridant.

Shareholders of Guthrie Corporation, who have been bombarded with letters and documents from their own Board and from Sime Darby Holdings in recent weeks, should receive yet another missile today. This time it is from Tun Tan Siew Sin, chairman of Sime, encouraging them to accept his group's increased and final offer.

The chairman attacks Guthrie's profit record. "The generally accepted measure of growth is not profit before taxation but earnings per ordinary share," he says. "And over the past six years, Guthrie's earnings per share had risen 'a mere 10 per cent.' Sime's earnings per share had doubled in the same period. Guthrie's profit forecast for 1979 is attacked on the grounds that it is subject to volatile commodity prices. And Tun Tan Siew Sin denies Guthrie's assertion that a takeover would not be in

Shareholders concerned refused to agree to the deal under which Mr. Dipre proposed to pay £275,000 for the divisions in addition to assuming responsibility for some £428,000 of related debts.

ASSOC. LEISURE

W. I. Carr, Sons and Co. have sold on behalf of Coral Leisure Group 1,900,112 Associated Leisure ordinary shares at 88p per share (6 per cent).

These shares were put through the market and placed with institutional clients.

CHAMBERLAIN GROUP

The offer by Brown and Sharpe Manufacturing Company for Chamberlain Group has become unconditional and will remain open. Acceptances have so far been received in respect of 90.9 per cent of the shares for which the offer was made. At the EGM of Chamberlain, the scrip issue was approved.

ASSOCIATES DEAL

On March 9, W. Greenwell, as brokers to Armitage Shanks Group, sold on behalf of the M and G Island Fund 50,000 Armitage Shanks Ordinary shares at 80p.

Lucas favoured by move in French takeover dispute

BY DAVID WHITE IN PARIS

THE Lucas motor components group's legal battle over its frustrated French takeover plans yesterday took a decisive turn in favour of the British company. The Paris Commercial Tribunal declared null and void a move by Lucas' French competitor Ferodo which threatened to prevent Lucas from assuming control of an electrical parts manufacturer, Ducellier.

Lucas, which owns 49 per cent of Ducellier, agreed early last year to take over the remaining shareholding, held by a subsidiary of Ferodo, but in September, with French Government approval for the Lucas plan, Ferodo moved in with a complex financial manoeuvre which gave it rights to effective majority control.

Yesterday's verdict overruled this agreement, and declared that the French group, Bendix and the latter's French offshoot DBA had engaged in unfair practices to the prejudice of Lucas.

Ferodo paid DBA the same amount—\$26m—that Lucas had agreed to pay for the controlling stake. Its agreement meant that ownership remained nominally with the U.S.-owned company. Matters are now back to square one. Ferodo's backdoor takeover has been quashed, but equally Lucas has not received permission to absorb Ducellier.

The French Government has been pressing Lucas and Ferodo to reach a compromise. The British group said yesterday that talks were continuing and that it hoped to reach an agreement shortly.

The sticking point in talks so far has been that Ferodo is prepared to accept the minority stake offered by Lucas. The French group's aim in seeking control of Ducellier was to create a third European group in the electrical components business, after Bosch of West Germany and Lucas. Ducellier would be linked in with its own subsidiary, FEV, made up of three formerly independent companies. A strengthened Ducellier would threaten FEV's competitive position.

Ferodo officials described yesterday's judgment as a "blow" to the company's expectations. It had not yet made any move to appeal, although it might be expected to do so.

Last month an appeal court heard a separate case brought by Lucas and ruled that Ferodo should stay out of the effective running of Ducellier's business. But at the same time it raised Ferodo's hopes by declaring that the kind of agreement Ferodo made with DBA, gaining rights over its shares without actually buying them, was a legal one. The two companies had formed a joint venture in which Ferodo had the overwhelming majority.

Annulment of this agreement greatly strengthens the British company's hand. The French Government, however, is firmly set against any outcome which threatens the position of the FEV consortium, which is 70 per cent controlled by Ferodo with Bosch holding the minority stake.

SHARE STAKES

Crossfairs Trust—Equitable Life Assurance Society and subsidiary hold 500,000 shares.

Forward Technology Industries—Following the sale on February 26 by Estate Duties Investment Trust, Industrial and Commercial Finance Corporation is interested in 1,256,000 shares and Estate Duties in 201,666.

C. T. Bowring—P. Bowring has rationally disposed of 119,712 shares as a result of the sale of his shares in Turner, he and his family interests are the beneficial owners of 3,674,520 Elswick Hopper shares.

George Willis and Sons (Holdings)—Imperial Group advises that ITC Pension Trust jointly with ITC Pension Investments hold 250,000 shares (5.34 per cent).

Hawley Leisure—A. M. Cloggie, director, has bought 55,000 shares and £7,500 12 per cent convertible unsecured loan stock 1986-88.

David Dixon and Son Holdings—Birmingham and Midland Counties Trust now holds 525,000 (28.9 per cent) and National Carbonising Company 2,025,000 ordinary stock (23.95 per cent).

INITIAL SERVICES

INITIAL SERVICES, the towel hire, office cleaning and industrial clothing concern has at last disposed of its two loss making French bathroom furniture subsidiaries.

The group said that it has sold S.A. des Etablissements Fabrique Metalliques and S.A. Societe Industrielle et Commerciale d'Articles Metalliques for a nominal consideration.

The two subsidiaries which distribute and manufacture bathroom furniture and fittings have made successive losses since they were acquired by Initial five years ago. The depressed state of the French building industry and management problems have been blamed for the losses.

Initial said yesterday that trading losses of the two subsidiaries were expected to amount to £900,000 in the year to March 31, 1979. In addition, the group expects to make an extraordinary provision of £1.5m to cover redundancy payments and other closure costs.

Initial's share price rose 11p to 118p yesterday on news that the group had unloaded its loss making French operations.

In the first half of the group's current year the two subsidiaries made combined trading losses of £482,000. Despite this Initial recorded a first half pre-tax profit of £8.5m, a rise of 40 per cent over the same period for the previous year.

The group also announced yesterday that it had contracted to supply workwear to approximately 117,000 mineworkers. Adaptation of processing plants to cope with the extra work was well in hand, said Initial.

Carrington in strong position

WITH MAINTAINED investment programmes, Carrington Viella has the strength to limit the extent of the loss of profits which is inevitably incurred under conditions of general domestic industrial unrest, says Mr. L. Regan, the chairman, in his annual statement.

In the light of such adverse factors, Mr. Regan finds it almost impossible to forecast the trading climate in the months ahead. As reported on February 22, 1978 pre-tax profits of the textile manufacturer were down £1.55m, after a second half rally reduced the mid-year shortfall of £2.35m.

Adjusting for inflation, the directors estimate there would be a £3.4m increase in depreciation charge, a £6.5m rise in cost of sales and a gearing adjustment of £3.7m credit, giving an adjusted £5.3m pre-tax profit. Consumer demand in the UK began to pick up during the second half, but was accompanied by a marked increase in the volume of imported yarns and fabrics.

Consequently, the group's consumer products divisions in general showed improvements in profits, while its fabric manufacturing divisions, with the exception of knitting and viella fabrics, encountered difficult trading conditions.

A divisional analysis of external sales and exports shows: fabric manufacture £122.2m (£125.2m) and £20.9m (£18.4m), household textiles £65.5m (£61.6m) and £13.4m (£13.9m), garments £83.8m (£71.3m) and £6.7m (£6.8m), and miscellaneous £1m (£0.8m) and nil (same). Overseas turnover amounted to £51.2m (£45.4m).

The group's South African company produced excellent results, the chairman states, but Italian operations were extremely disappointing. Largely as a result of delayed benefits arising from import restraints, the Canadian textile trading climate improved in the last quarter and profits there increased accordingly.

Although exports from the UK rose to £41m (£38.5m), no more than a maintained volume is indicated. It is the directors' policy that exports should be profitable and properly directed with emphasis on trade with the EEC—within the overall 5.4 per cent increase, exports to the EEC rose by 14 per cent.

The spread of exports was: Europe £27.2m (£26.5m), North America £2.7m (£2.8m), Middle and Far East \$6m (£4.5m), Australasia £2.6m (£1.9m), and others £2.5m (£3.2m). The divisions which showed substantial increases were knitting and viella fabrics.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in arrears or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY
Interim—Brooke Bond Lintec, Ductile Steels.
Final—Anglo-American Industrial, Anglo-American Investment Trust, J. Bibby, East Lancashire Paper, Fairclough Construction, S. W. Farmer, Johnson Group Cleaners, Kleinwort Benson Lonsdale, Lambert Howarth, Trade Indicators, United Silicates.

FUTURE DATES
Interim—
Adams Developments Mar. 11
Barrat Developments Mar. 22
Beckman (A.) Mar. 28
Bajm Mar. 21
Bell (Arthur) Mar. 21
Blackwood Morton Mar. 15
Counsey Pope Mar. 15
Dunway Day Mar. 21
Ferry Pickering Mar. 11
Johnston and Fort Brown Mar. 19
Maynards Mar. 21
Medminster Mar. 19
Scottish Metropolitan Property Apr. 2
Wombwell Foundry and Eng. Mar. 26

Finals—
Brimicom (Musselburgh) Mar. 29
Clay (Richard) Mar. 21
Casalt Mar. 17
Federated Land and Building Mar. 26
Hill Engineering Mar. 16
Menzies (John) Mar. 19
Savoy Hotel Mar. 24
Spear and Jackson Interim Apr. 3
Wilkes (James) Mar. 15
Yorkshire Chemicals Mar. 21
Amended.

Gulf denies Lonrho takeover bid

Gulf Fisheries, the Arab shareholder of Lonrho which is seeking boardroom representation, yesterday denied any intention of bidding for Lonrho. Over the weekend a newspaper had quoted Mr. "Tiny" Royland, chief executive of Lonrho, saying he believed Gulf wanted to get control of Lonrho. Shares of Lonrho jumped 5p to 76p yesterday in response.

"This is not a disguised attempt to lead up to a takeover," said a spokesman for Gulf Fisheries. No other course was intended than the one which had been embarked upon, namely the election of two nominees to the Board. The purpose of this was to get a better knowledge of the way the business was run and to have some influence over it.

Lonrho stated yesterday that there probably would not be a shareholders' meeting at which the poll would be held. The poll would almost certainly be done entirely by post. An indication on the timing was not yet available.

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You are probably already well aware of the many international benefits that your executives would enjoy when they carry the American Express Card. Here we outline the unique advantages of the American Express Company Card Plan to your company. For more specific information tailored to your company's own special requirements, please contact: The Manager, Company Cards, American Express Company, Card Division, P.O. Box 68, Edward Street, Brighton, BN2 1YL, E. Sussex.

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U.S. monetary restraint hint moves prices down

March, 1979

هكذا من الأهل

Charles Batchelor, in Amsterdam, explains why OGEM dropped its plans to acquire Nederhorst

Shifting from conventional construction

THE DECISION by OGEM, the Dutch trading and construction group, to reverse its plans for the acquisition of the Nederhorst building company is a direct result of a fundamental shift in group policy, according to a confidential memorandum dated by OGEM in January.

News of OGEM's decision to reverse its plans for the acquisition of the Nederhorst building company is a direct result of a fundamental shift in group policy, according to a confidential memorandum dated by OGEM in January.

According to the policy document, OGEM plans to form an in-house insurance company which would, apart from providing cover for the company's risks, take part in bonding syndicates set up to provide the various types of bond increasingly required for contractors abroad. OGEM also plans to take a minority holding in a merchant bank which would take a risk-bearing share in the company's contracts.

Experienced

The insurance company would be formed fairly shortly. It would be based outside Holland and is apparently to be managed by the UK insurance broker company, Sedwick Forbes. Much of OGEM's own insurance would be placed with the new venture. Initially it would not insure third parties.

The growing need to provide bid, performance and advance

payment bonds on contracts has prompted OGEM to move into this area too, the document says. Once again the company will first gain experience by providing bonds for its own contracts but it will later consider offering its services to other companies. It is discussing with Arab business contacts the possibility of Middle East institutions providing financial backing.

The plan at present is that OGEM should try and mobilise Arab capital to back its plan to take a minority shareholding in a merchant bank, which would share in the business risks of contracts. OGEM would expect to have a say in the decision making of the bank and it has already made contact with what it describes as a "foremost UK bank" which is ready to take over the management of this undertaking. These plans are expected to crystallise by mid-1979.

Sudden changes in direction are nothing new to OGEM. It was primarily an electricity

utility until the 1950s—the initials OGEM stand for Overseas Gas and Electricity company—and its main areas of operation were the Dutch East Indies, now Indonesia, Surinam, the Netherlands Antilles and some South American countries.

When the Dutch connections with Indonesia were severed, OGEM expanded its electricity activities elsewhere and developed new interests in trading, engineering and metals processing and installation. One of the few companies to successfully adjust to a post-colonial era, it moved into construction in the 1970s.

In 1977, the last year for which detailed figures are available, trading accounted for 20 per cent of its 3.35bn turnover. The engineering and installation division booked turnover of 1.925bn, construction 1.492bn and energy only 1.64bn.

The takeover of the building division of Nederhorst, a group which also comprised engineering and steel construction divi-

sions, before financial difficulties forced the break-up of the company, would have been one of the largest in a long line of acquisitions for OGEM.

Nederhorst expanded rapidly in the early 1970s but by 1975 its had to call on Government aid. At that time OGEM took over the management of its building division, with turnover now of around 1.934bn, although it has never consolidated Nederhorst's results.

Consolidate

Under an agreement reached with the Economics Ministry in November 1975, OGEM could either consolidate the company within three years or pull out of the deal. All the signs, until recently, were that OGEM would go ahead with the takeover.

The problems at Nederhorst—centring on losses and a legal dispute in Germany—were outlined to parliament earlier this month.

Despite a guarantee by the state to put up 1.50m to

counter-balance Nederhorst's negative capital position, OGEM pulled out of the deal when it received Nederhorst's third quarter 1978 figures and forecast for 1979. Estimated losses for 1978 were raised to 1.47m from 1.30m. Moreover, prospects for 1979 were so poor that the planned injection of another 1.50m capital would probably have been wiped out.

The Dutch Government has now agreed to provide 1.20m to enable Nederhorst to complete existing orders while it looks for a purchaser for the company.

OGEM has been accused of exploiting Nederhorst's know-how and contacts during the three-year trial link and of then casting it aside. The Economics Minister has promised an investigation into the affair. At OGEM's decision to drop Nederhorst has produced a split in the top management, with the managing director of the building division, Dr. F. Sonneveld, being suspended by the group Board, after a difference of opinion.

Sandvik raises dividend despite lower earnings

BY WILLIAM DUFFLORCE IN STOCKHOLM

SANDVIK, the Swedish centred steel and steel up, proposes to raise its dividend by SKr 0.75 to SKr 6.50 per share after reporting almost halved earnings for 1978, the same time the Board announces changes in the top management connected with the merger of Sandvik's steel division with the Fagersta special steel company over the last few months.

The provisional 1978 figures showed that Sandvik was only marginally profitable and sales targets. Pre-tax income came out at 468m (\$107.5m), slipping SKr 3m from 1977, while earnings by 20 per cent to 5.4bn (\$1.24bn). Some 10 per cent of the sales increase was from price increases.

Several factors combined to reduce the 1978 pre-tax result. It has been charged with negative currency translation of SKr 35m compared with a positive translation of SKr 37m in 1977. The previous year's result included government stock subsidy of SKr 44m, which was not repeated in 1978. Finally, the 1978 figure includes SKr 60m in stock appreciation against SKr 90m the year before.

The group order intake rose by 27 per cent to SKr 3.75bn last year and has continued to increase in the current year. The board therefore forecasts a turnover of SKr 4.3bn for 1979, while larger production volume and improved productivity are expected to "give all divisions better profit capacity."

The cemented carbide products, which make up about half total sales, provided the whole of the pre-tax profit and more, improving their contribution from SKr 489m to SKr 478m. The steel division slipped into a loss of SKr 45m while earnings on saws and tools tumbled: SKr 18m to SKr 2m. The steel-belt conveyor improved their profits from SKr 28m to SKr 33m.

Sandvik's managing director, Mr. Arne Westerberg, is leaving to become Board chairman. He is also being nominated as

chairman of the Fagersta Board. He will be replaced in the managing director's post by Mr. Lennart Ollen, who is currently deputy managing director responsible for production and technology.

Mr. Carl-Eric Björckgren, deputy managing director in charge of finance, becomes first deputy managing director responsible for a new unit controlling Sandvik's foreign companies.

The co-operation with Fagersta will involve joint production, marketing and purchasing as well as research and product development. The rapprochement has been facilitated by an exchange of shares between the Kinnervik and Industrivaerden investment companies.

In two stages starting last October Kinnervik, Sandvik's largest shareholder, has acquired Industrivaerden's holding in Fagersta in return for Sandvik shares. This has given Kinnervik control of about 39 per cent of the voting rights in Fagersta.

Improved profit from Kloeckner

By Guy Hawtin in Frankfurt

KLOECKNER, the Holding company run as a limited partnership for the Kloeckner steel, fuel and engineering interests, has made good its forecasts of improved profits for 1978. The current year is also expected to be "successful," according to the management.

Profits in 1977 took a pounding as the West German steel industry, in which the group is heavily engaged, went through its worst post war year. Steel still had a long time in 1978, but today's report shows that the year's net earnings were expected to be between DM 30m and DM 35m, after 1977's DM 28.1m.

Steel trading and industrial plant construction, which in 1977 provided the largest share of the profits, showed further increases in earnings. There was also an improvement in the raw materials trading sector and the construction branch.

Sales rose by 6 per cent from DM 7.4bn to DM 7.8bn (\$4.15bn) excluding the turnover of foreign subsidiaries, which saw sales double to DM 900m.

Steel trading remained by far the most important activity of the concern, contributing 49 per cent of sales compared with the previous year's 47 per cent. Construction, fuels and chemicals maintained their proportion of turnover at 1977's 28 per cent.

However, the raw materials trading side saw its contribution drop back from 16 per cent to 15 per cent, while industrial plant construction accounted for an unchanged 6 per cent of sales.

Undoubtedly, some of the improvement in Kloeckner's performance stemmed from rationalisation measures the group has undertaken during the past three years. Even so the group still has a good way to go to return to the profit levels of previous years—for instance, 1976 when net earnings totalled DM 44m.

Bid for Roland from M.A.N.

By Our Frankfurt Correspondent

MAN, one of West Germany's leading engineering and commercial vehicle groups, is bidding for full control of the printing machinery manufacturer, Roland Offset Maschinenfabrik Farber and Schleicher. MAN already holds more than 50 per cent of the Roland equity.

The size of the offer to be put to Roland's shareholders will be decided at the meeting of MAN's supervisory Board on March 19. However, the executive Board appears to be thinking in terms of DM 330 per share. This values Roland at DM 171.6m, or \$91m.

Kandinviska Enskilda sees good year

KANDINVISKA Enskilda, which in its preliminary report last month announced a 32.9 per cent rise in operating profits before extraordinary items, allocations taxes to SKr 810m (\$187m), expects that 1979 is likely to be another good year.

The Bank also noted that for the first time in five years, rating profit had been large enough in 1978 to outweigh the loss of its equity capital and reserves by inflation, dividends, and losses drawn from reserves.

The four managing directors felt "a substantial growth volume due among other things to a continued rapid rise in money supply. Any change in the average output rate for 1979 as it appears unlikely. We therefore expect net interest income to develop well."

But the bank warned that if the discount rate went up 1 per cent, this would reduce ratings by SKr 80.70m. "It is also difficult to keep ratings from currency dealing their current high level."

During 1978, the Bank of Denmark lowered its discount rate in three 1 per cent stages to 10 per cent. This increased Kandinviska Enskilda's earnings since its bond portfolio has not fixed while the cost of capital to finance these holdings increased by the discount rate. The factor adding to 1978 ratings was that the large supply pushed down the real rates on special deposits rather than the discount rate. The directors said they expected to hold cost increases at 10 per cent again this year.

Kone group income falls despite rise in turnover

BY LANCE KEYWORTH IN HELSINKI

AFTER TAX income of Kone, the Finnish multi-national, fell to Fmk 31m (\$7.8m), compared with Fmk 50m. However, after transfers to reserves and extraordinary depreciation, net profit was practically unchanged at Fmk 15.5m.

Turnover grew by 10.9 per cent to Fmk 1.44bn. Allowing for inflation, this represents a real increase of about 4 per cent. The increase in net sales by the Kone lift group was 12.8 per cent and invoicing by the materials handling machinery group rose by 13.6 per cent.

However, none of the groups' divisions, including the instrument division, achieved their budgeted targets.

Kone takes a fairly optimistic view of the prospects for 1979.

BTI affected by adverse marketing conditions

BY JOHN EVANS

BANKERS' TRUST International, the London-based investment banking subsidiary of Bankers Trust Company, earned profits before tax in 1978 of £1.17m (\$516,000), compared with £1.23m the previous year (\$536,550) against £850,817. The balance sheet contracted to £73.6m compared with £80.8m in 1977.

Noting the "adverse market conditions" which prevailed last year, BTI chairman and managing director, Mr. John F. McDaniels, said the bank nevertheless made considerable pro-

gress in all aspects of its international securities business. In addition, BTI acted as a manager or co-manager in 56 issues, totalling more than \$17.6bn in the syndicated credits market.

Bank Europeenne de Tokyo, the Paris-based Japanese consortium bank, reported a pre-tax profit of Ffr 24.9m for 1978 compared with Ffr 23m the previous year. Net profit was Ffr 15.2m, an increase of 11.8 per cent on 1977.

Robeco cuts U.S. stake

BY CHARLES BATCHELOR IN AMSTERDAM

ROBECO, the Dutch investment group, made major sales of stock in Japan and Germany in 1978. Despite large purchases in the U.S., its share of assets in North America also declined. The fund made use of the "opportunity of sometimes spectacular rises in stock prices to sell, in view of the lack of clear prospects for a more balanced international development and thus of more stable currency rates," Robeco said.

It earlier announced that it proposed raising its cash dividend to Ffr 8 from Ffr 7.80 after increasing its capital by two stock dividends of 3 per cent. Total income rose by Ffr 5m to Ffr 215m (\$112.5m) while operating expenses were unchanged at 0.24 per cent of average assets. Total net assets rose to Ffr 4.21bn (\$2.1bn) from Ffr 4.13bn.

Despite the growth of almost

all major exchanges, 1978 was dominated by often violent movements on the foreign exchange markets. At the end of the year Robeco's liquidity was 9.15 per cent of assets slightly up on the 8.38 per cent in 1977.

Anticipating a possible slowdown in the U.S. economy, Robeco took advantage of more favourable stock prices to reduce or sell its holdings in very large and cyclical companies, including Celanese, Du Pont and General Motors. Purchases dominated in the U.S. however, including the stocks of American Cyanamid, American Natural Resources, Bendix and Genetec Corporation. In Canada, Robeco slimmed its holdings. Despite the U.S. purchases there was a net reduction of Robeco's North American stake to 28.4 per cent of total assets from 34.7 per cent.

THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Dreyfus Intercontinental Investment Fund N.V. ("The Fund") has been called by the Management and will take place at Handelskade 8, Willemstad, Curaçao, Netherlands Antilles on March 27, 1979 at 11.00 a.m.

AGENDA

1. Consideration of a dividend.
2. Approval of Financial Statements for the fiscal year ended August 31, 1978.
3. The election of Mr. Leo Model as a director.*
4. Related Business.

*Mr. Leo Model is Chairman of Bache, Model, Roland International, a Division of Bache Halsey Stuart Shields, Inc. Mr. Model has been prominent in the international financial and securities market for over 40 years.

The foregoing items may be approved by a majority of the shares cast on each item. Copies of the Annual Report of the Fund containing the Financial Statements for the fiscal year ended August 31, 1978 and form of proxy—available in English or German without cost to the Shareholder—may be obtained from the principal office of The Dreyfus Intercontinental Investment Fund N.V., Post Office Box N3712, Nassau, N.P., Bahamas Islands, from the offices of the banks listed below, or from

Dreyfus GmbH
Maximiliansstr. 24
8 Munich 22, West Germany
Tel. 089/220702, Telex 5/29392

Holders of bearer shares will be admitted to the Meeting on presentation of their Certificates or presentation of a voucher which may be obtained from any of the banks listed below.

Holders of bearer shares may vote by proxy by mailing a form of proxy and a voucher obtained from one of the banks listed below to Messrs. C. D. Lind and C. G. Smeets, The Dreyfus Intercontinental Investment Fund N.V., c/o Curaçao International Trust Company N.V., P.O. Box 812, Willemstad, Curaçao, Netherlands Antilles. The form of proxy and voucher must be received by Messrs. Lind and Smeets by March 28, 1979 to be voted at the meeting.

Bowling Green Company Limited
Managing Director

PAYING AGENTS FOR THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.

Morgan Grenfell & Co. Limited
23 Great Winchester Street,
London EC2P 2AX,
England

Deutsche Bank AG
Grosse Gallusstr. 10-14
6 Frankfurt/Main
West Germany

Banque Internationale à
Luxembourg
2, Boulevard Royal
Luxembourg-Ville,
Luxembourg

Montreal Trust Company
15, King Street West,
Toronto, Ontario,
Canada

All of these Securities have been sold. This announcement appears as a matter of record only.

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DEAN WITTER REYNOLDS INC.

ABD SECURITIES CORPORATION

SOGEN-SWISS INTERNATIONAL CORPORATION

WESTDEUTSCHE LANDESBANK DAIWA SECURITIES AMERICA INC.

ROBERT FLEMING

KLEINWORT, BENSON

NEW COURT SECURITIES CORPORATION

THE NIKKO SECURITIES CO.

NOMURA SECURITIES INTERNATIONAL, INC.

YAMAICHI INTERNATIONAL (AMERICA), INC.

THE BANK OF TOKYO (HOLLAND) N.V.

CAISSE DES DEPOTS ET CONSIGNATIONS

COUNTY BANK

HAMBROS BANK

HUDSON SECURITIES, INC.

IBJ INTERNATIONAL

ORION BANK

SPARBANKEN STOCKHOLM

SUMITOMO FINANCE INTERNATIONAL

FIRST BAVARIAN CAPITAL CORPORATION

VEREINS-UND WESTBANK

March 9, 1979

To the Shareholders of



KJØBENHAVNS HANDELSBANK
(COPENHAGEN HANDELSBANK)
COPENHAGEN

Against delivery of coupon No. 6 payment will be made of a dividend of 12% (less 30% dividend tax) for the year 1978. We draw the attention to the fact that the Bank has published on the special-taxation rules pertaining to shareholders who are non-residents of Denmark. The folder is obtainable from N.M. Rothschild and Sons Ltd., P.O. Box 185, New Court, St. Swin-lin's Lane, London EC4P 4DD.

Payment will take place at the Bank's Head Office at 2, Holmens Kanal, DK-1091 Copenhagen, Denmark, or through N.M. Rothschild and Sons Ltd.

Copenhagen, 13th March 1979.



KJØBENHAVNS HANDELSBANK
(COPENHAGEN HANDELSBANK)

Property jump gives UOL fivefold rise

By H. F. LEE IN SINGAPORE

UNITED OVERSEAS Land (UOL), the major Singapore property developer, has turned in its best ever performance. For the year to December, post-tax profit rose slightly more than five times to S\$5.08m (U.S.\$2.3m), while at pre-tax level, the increase was slightly more than three times, from S\$2.7m to S\$8.5m.

The profit announcement comes close on the heels of the disclosure of its proposed link-up with the Orient Leasing Company of Japan, which will mean the Japanese group securing a 16.6 per cent stake in its equity.

Simultaneously with its profit announcement, UOL in an unprecedented move has announced that it is reducing the conversion price for its convertible loan stock from S\$3.30 nominal of loan stock for one Ordinary share to S\$1.50 nominal for one Ordinary share, to bring it into line with the prevailing market price and the revaluation of its properties made in August last year.

UOL in another important revelation, also disclosed that the authorities have rejected its plans to develop its prime land at Mount Echo into a major commercial complex. However, alternative plans for the development of the site, which will be undertaken by wholly-owned subsidiary, Mount Echo Park are now under consideration.

Although the major portion of the profit contribution still

comes from wholly-owned subsidiary, Singapore Merlion, the parent company itself appeared finally to be making good headway with its own property projects.

The parent company's performance improved from a loss of S\$471,000 in 1977 to a profit of S\$3m on a pre-tax basis, or S\$1.7m after tax last year.

Providing much of the impetus for this growth were the sales achieved by its major residential property development, Cairnhill Plaza.

With the better results, the group has decided to raise the gross dividend from the previous 2 per cent to 4 per cent.

The sparkling performance returned by UOL reflects the general upsurge in Singapore's property market which since reaching a peak in 1973 has remained in the doldrums.

On the reduction of the conversion price, UOL said that it had secured the necessary agreement of the trustees for the loan stock, Chartered Bank (Singapore) Trustees.

The S\$22m 9 per cent convertible unsecured loan stock which was issued in 1973 matures on December 31 this year. The stock is redeemable at S\$1 par per stock unit on maturity. Semi-annual interest is payable in May and November.

UOL said that the revised terms would allow conversion to be exercised any time before maturity at the end of this year.

Burns Philp increases earnings

By James Forth in Sydney

BURNS, PHILP and Company, the diversified industrial group, lifted its earnings 15 per cent from A\$5.1m to A\$5.8m (U.S.\$6.5m) in the December half-year, despite difficulties with its electrical and building divisions.

The accelerated restructuring of Sun Electric, together with heavy product rationalisation and disposal, contributed to a greater than expected loss of A\$823,000 for the six months. However, it was expected that the benefit from this rationalisation would provide increasingly better results in the current half.

The contribution of the iron-ore producer, Robe River was marginally lower.

The interim dividend has been raised from 7.5 cents a share to 8 cents, which is still in line with last year's total payout of 16 cents.

Mahindra lifts dividend

By K. K. Sharma in New Delhi

MAHINDRA and Mahindra, the largest manufacturers of jeeps and tractors in India, has increased its dividend from 15 per cent to 18 per cent, after reporting good results for the year to October.

The company made a gross profit of R\$4.3m (about \$7m) on sales of R1,02bn (around \$125m). The gross profit in 1978-79 was R\$4m on sales of R693m.

Foreign banks seek greater policy say

By ANTHONY ROWLEY IN HONG KONG

THE INTERNATIONAL banking community here is equipping itself with a new meeting place, in the shape of an "exclusive penthouse club" in the New Gloucester tower complex.

This move, first announced last August when the Hong Kong Overseas Bankers Club was incorporated, comes at a time when some foreign banks—notably the U.S.—are pressing for a greater say in the colony's financial policies.

At least one U.S. bank, for instance, has recently initiated discussions with Government officials and with the Exchange Banks Association on exploring alternatives to the present interest-rate cartel, which some foreign banks allege discriminates against them in favour of the big domestic banks.

Although the link between these developments and the founding of the International Bankers Club here is not direct,

it is highly likely that the club will become a focusing point for what is currently sporadic foreign bank discussion of major policy issues affecting banking and finance.

The new club is backed by more than 200 local and international financial institutions. Its first chairman is Mr. W. C. L. Brown, chief manager in Hong Kong of the Chartered Bank, who is also the current chairman of the EBA. The vice-chairman of the club is Mr. T. C. Ho, assistant general manager, and head of the foreign division, of the Hang Seng Bank, a subsidiary of the Hongkong and Shanghai Bank.

Mr. Brown said that the club "is to provide a common meeting ground for executives of the growing financial community." It will occupy 17,430 square feet on the top two levels of Gloucester Tower—a Hong Kong Land Company development—and is due to open in the summer of 1980.

Japan eases controls on overseas bank operations

By RICHARD C. HANSON IN TOKYO

A BROAD series of measures to improve conditions for foreign banks operating in Japan—including a long-awaited increase in the amount of foreign currency they are allowed to swap into yen—has been announced by the Ministry of Finance (MOF).

Steps of this kind had been expected. They apparently are aimed at heading off overseas criticism, particularly from the U.S., that the foreign banks are treated unfairly in Japan. The monetary authorities here say that such charges stem mostly from misunderstandings of Japan's financial structure, which is highly different from western systems.

Foreign banks were notified on Friday that there would be an average 15 per cent increase in the amount of dollars they can bring into Japan to fund their yen business. The swap limit was raised in the spring of last year, but foreigners

have complained that the further appreciation of the Japanese currency since then had actually reduced the amount of yen they could derive from the limits.

The new guidelines raise the overall limit by about \$500m to \$3.5bn. This figure is divided among the 61 foreign banks according to the size of yen loan portfolios. The new limits are somewhat larger if free-yen swap limits for in-bank use are added.

The MOF has also adjusted the amount that a foreign bank can hold as an overnight foreign exchange position.

At the same time, the MOF raised the ceiling on the amount of dollar funds the Japanese commercial banks are allowed to swap into yen from overseas sources for the first time in nine years. This ceiling is reportedly now at between \$300m and \$400m, an increase of about \$100m.

For the foreign banks, among the more welcome of the measures announced was the lifting of all the controls applied in gathering ordinary deposits. Individual accounts were in the past discouraged.

The Ministry also agreed to treat more flexibly applications to open new branch offices in other major Japanese cities. This is not very significant at the moment, because existing foreign branch operations are hard pressed by low demand for loans generally. The most recent movement has been in closing some branches outside of Tokyo. But the situation could improve in the future.

Foreigners will now be able to make loans on as free a basis as Japanese banks, subject to the guidelines issued periodically in all banks.

Foreign banks have participated in yen syndicates and some British and European banks (Barclays, for example) have been attempting to put together such syndicates. There are questions, however, over how a foreign bank can

fund safely a yen credit of considerable duration without the leadership of a major Japanese bank being included. MO officials would prefer that no of the banks actually applied lend yen, though they have a formally objected.

The MOF said it had objection to foreigners being admitted to the bank clearing house, or participating in a nation-wide banking computer data system.

The Ministry, in return for these liberalisation measures, however, said that it was welcome a move on the part of the foreign bankers to form an association of their own though it would not force an association into being.

The expansion of the yen limit is welcome at the moment because of conditions in a short-term call money market to which foreigners have access for the raising of funds. Over the end of this month, a closing of business activity will keep the interest rates call money higher than those the bills discount market—has been the case for the past two weeks.

On the question of issue certificates of deposit (CDs), the MOF indicated that would take another two or three months before they could be issued simultaneously by foreign and domestic banks.

There are reports that such limitation from the Ministry could come as early as next April, but there are still details to be worked out.

Details now emerging are that the CD will carry a term of three to six months, but may be extended to one year in the future. The minimum issuing amount will be ¥500m.

For Japanese banks CD might be limited to the equivalent of 25 per cent of paid in capital while standards for individual foreign banks are all being studied.

Interest rates would be left to fluctuate with short-term interest rates.

Meat exports boost Petersville Australia

By OUR SYDNEY CORRESPONDENT

PETERSVILLE Australia, the major food group, is headed for its fourth successive record profit, following a 28 per cent jump in earnings for the December half from A\$4.48m to A\$5.73m (U.S.\$6.4m). The

directors have lifted the interim dividend from 3.125 cents a share to 4 cents, which is well covered by earnings of 11.6 cents a share.

The result was achieved on a 13.5 per cent increase in sales,

from A\$138m to A\$167m (U.S.\$176m).

The higher profit reflected increased demand for Australian meat in Asia, while the U.S. export sales rose 55 per cent. The board said that the second half had opened well, and assuming reasonable economic conditions it was expected that the full year would show a material gain.

CONTAINERS, the packaging group, plans a one-for-five scrip issue following a 28.6 per cent boost in profit for the December half-year, from A\$3.14m to A\$4.04m (U.S.\$4.5m). The interim dividend has been increased from 7 cents a share to 7.5 cents and is covered by earnings of 18.2 cents a share.

The result was achieved on a sales increase of 16 per cent from A\$84m to A\$98m.

All these securities having been sold, this advertisement appears as a matter of record only.

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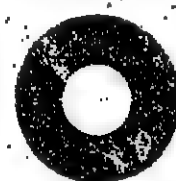
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March 13, 1979

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Companies and Markets

Heavy selling hits copper market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell sharply in the London Metal Exchange as a result of heavy selling on the part of dealers. The decline was accelerated in the afternoon by news that Asarco had cut its producer price in the U.S. by 2 cents to 93 cents a lb. — only recently Asarco had raised its price to \$1.10 a lb. Another leading U.S. producer, Phelps Dodge, later announced it had cut its selling price by 5 cents to 90 cents a lb. U.S. copper producers, still sticking to the producer price system, are now tending to raise and lower their prices to reflect movements in the free market.

Nevertheless market sentiment is still affected. There was, in fact, no fundamental news to account for the decline in prices. Once the fall started it triggered off a "stop loss" selling points and this brought further heavy sales, especially by speculators. Dealers say the decline has probably been overdone as a result. The only hard news yesterday was that copper stocks in the London Metal Exchange warehouses had fallen by slightly more than expected; they were down by 11,125 tonnes cutting total holdings to 281,725 tonnes. The fall in copper depressed other metals. Cash lead, for example, after reaching a new all-time peak of £611 in the

morning declined to \$599 a tonne at the close, \$4.5 lower on Friday's close. The market was buoyed up in early dealings by the news that Asarco had declared force majeure because of the strike at the Ozark mine. A fall of 775 tonnes in stocks reducing total holdings to 14,450 tonnes — the lowest level since October 1974 — took dealers by surprise since a modest increase had been forecast. Nevertheless the decline in copper was the dominant influence. After the market eased trading it was announced in New York that a leading U.S. lead producer, RSR Corporation, had raised its domestic selling price for pure lead by three cents to 47 cents a pound.

Tin stocks were down more than expected by 260 tonnes to 1,875 tonnes. As forecast, aluminium stocks fell by 1,000 to 12,775 tonnes and zinc by 800 to 71,150 tonnes. LME silver holdings rose by 250,000 to 21,550,000 ounces. Tin prices held steady, encouraged by the rise in the Penang market over the weekend. But aluminium and zinc values both fell reflecting the downturn in copper. Silver values were sharply lower. The London bullion spot quotation was slightly higher at the morning "fixing" at \$35.9p an ounce, but in the afternoon prices fell away and the LME cash price at the close was \$37.15p an ounce, 8.1p down on Friday.

Cotton demand estimate raised

WASHINGTON — The International Cotton Advisory Committee has lifted its projection for 1978-79 world cotton consumption to 61.5-62m bales (478-485 mt), from 61.5m bales (478-485 mt) previously forecast. Consumption in 1977-78 is estimated at 60.5m bales.

The increase will be concentrated in Asia, particularly in the Eastern countries, the committee said.

At the same time it raised its global production estimate for a current season to 59.8m bales from the 59.7m estimated last month. But this is still 1.7m bales below last season.

Encouraged by rising consumption, acreage outside the U.S. according to a recent preliminary Department survey, planting intentions in major producing countries will increase by 1.2 per cent over the current season, ICAC said. Relatively high prices and intensifying supplies in relation to demand contributed to the anticipated savings, it said.

Assuming a return to normal yields, the report projected the U.S. in output outside the U.S. 3.5 per cent, or about 2m bales.

For the U.S., the Agriculture Department survey indicated intentions to plant 9m acres to cotton next season, 6 per cent more than the 1978-79 season.

Nickel output boost planned

BY OUR COMMODITIES EDITOR

FALCONBRIDGE Nickel Mines announced yesterday it was planning to boost ferro-nickel production in the Dominican Republic.

The company said its subsidiary in Dominica is reactivating a second production line, shut down in January last year, to bring supply pipeline stocks back to normal working level and satisfy customers' requirements.

Falconbridge said its stocks of nickel in all forms at the end of 1978 fell to just over 42m lb from 78.3m lb at the end of 1977. The company said that production had been cut to about 50 per cent of normal capacity last year.

However, its sales of nickel rose from 78.3m to 118.4m lbs. Average selling prices for refined nickel fell to \$1.94 a lb again \$2.12 in 1977 and ferro-nickel to \$1.82 from \$2.09 previously. Nevertheless Falconbridge reported a profit of \$5.5m in 1978 compared with a loss of \$29.2m.

Meanwhile nickel market sources in London are confident that other producers will be quick to follow the price increases of some 10 per cent, announced by the Le Nickel group on Friday.

International Nickel said yesterday it was still studying the

situation. There are rumours that Inco may be contemplating an increase in its top-grade nickel prices to a higher level than the announced Bunker Hill Nickel, whose main sales are concentrated in ferro-nickel products.

There was little reaction in free-market nickel as dealers waited to see how other producers would react to the Le Nickel increase.

It is generally believed, however, that it is only a matter of time before other producers raise prices in view of the improving sales of nickel, and the continuing strike at Inco's Sudbury mines.

'No room in Britain for NZ cheese'

BY CHRISTOPHER PARKES

IF THE Common Market wants to make political gestures towards New Zealand, it should make them in the negotiations on future access for butter and not in the cheese market. Mr. John Travers, president of the Dairy Trade Federation, said yesterday.

The New Zealanders are being offered access for about 8,000 tonnes of cheddar cheese in the current multilateral trade negotiations.

British dairies expanded their cheese-making facilities in anticipation of New Zealand being phased out of the market. They even bought their new plant from New Zealand.

Renewed access for supplies from New Zealand would mean the loss of jobs in the UK industry and milk prices for farmers, he said.

Mr. John Owens, director general of the federation, welcomed the impending devaluation of the Green Pound, warning that if inflation continued to grow a further adjustment would "very likely be needed" later this year.

"A devaluation, coupled with the price of butter could go down if Mr. Silk's insistence that the target price of milk should not increase in this dairy year will reduce subsidies on imported dairy products," he said.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER — Last further ground on the London Metal Exchange. After moving to \$599 on the part of dealers, the decline was accelerated in the afternoon by news that Asarco had cut its producer price in the U.S. by 2 cents to 93 cents a lb. — only recently Asarco had raised its price to \$1.10 a lb. Another leading U.S. producer, Phelps Dodge, later announced it had cut its selling price by 5 cents to 90 cents a lb. U.S. copper producers, still sticking to the producer price system, are now tending to raise and lower their prices to reflect movements in the free market.

Nevertheless market sentiment is still affected. There was, in fact, no fundamental news to account for the decline in prices. Once the fall started it triggered off a "stop loss" selling points and this brought further heavy sales, especially by speculators. Dealers say the decline has probably been overdone as a result.

The only hard news yesterday was that copper stocks in the London Metal Exchange warehouses had fallen by slightly more than expected; they were down by 11,125 tonnes cutting total holdings to 281,725 tonnes. The fall in copper depressed other metals. Cash lead, for example, after reaching a new all-time peak of £611 in the

morning declined to \$599 a tonne at the close, \$4.5 lower on Friday's close.

The market was buoyed up in early dealings by the news that Asarco had declared force majeure because of the strike at the Ozark mine. A fall of 775 tonnes in stocks reducing total holdings to 14,450 tonnes — the lowest level since October 1974 — took dealers by surprise since a modest increase had been forecast.

Nevertheless the decline in copper was the dominant influence. After the market eased trading it was announced in New York that a leading U.S. lead producer, RSR Corporation, had raised its domestic selling price for pure lead by three cents to 47 cents a pound.

Tin stocks were down more than expected by 260 tonnes to 1,875 tonnes. As forecast, aluminium stocks fell by 1,000 to 12,775 tonnes and zinc by 800 to 71,150 tonnes. LME silver holdings rose by 250,000 to 21,550,000 ounces. Tin prices held steady, encouraged by the rise in the Penang market over the weekend. But aluminium and zinc values both fell reflecting the downturn in copper.

Silver values were sharply lower. The London bullion spot quotation was slightly higher at the morning "fixing" at \$35.9p an ounce, but in the afternoon prices fell away and the LME cash price at the close was \$37.15p an ounce, 8.1p down on Friday.

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It is generally believed, however, that it is only a matter of time before other producers raise prices in view of the improving sales of nickel, and the continuing strike at Inco's Sudbury mines.

There are rumours that Inco may be contemplating an increase in its top-grade nickel prices to a higher level than the announced Bunker Hill Nickel, whose main sales are concentrated in ferro-nickel products.

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BASE METALS

COPPER — Last further ground on the London Metal Exchange. After moving to \$599 on the part of dealers, the decline was accelerated in the afternoon by news that Asarco had cut its producer price in the U.S. by 2 cents to 93 cents a lb. — only recently Asarco had raised its price to \$1.10 a lb. Another leading U.S. producer, Phelps Dodge, later announced it had cut its selling price by 5 cents to 90 cents a lb. U.S. copper producers, still sticking to the producer price system, are now tending to raise and lower their prices to reflect movements in the free market.

Nevertheless market sentiment is still affected. There was, in fact, no fundamental news to account for the decline in prices. Once the fall started it triggered off a "stop loss" selling points and this brought further heavy sales, especially by speculators. Dealers say the decline has probably been overdone as a result.

The only hard news yesterday was that copper stocks in the London Metal Exchange warehouses had fallen by slightly more than expected; they were down by 11,125 tonnes cutting total holdings to 281,725 tonnes. The fall in copper depressed other metals. Cash lead, for example, after reaching a new all-time peak of £611 in the

morning declined to \$599 a tonne at the close, \$4.5 lower on Friday's close.

The market was buoyed up in early dealings by the news that Asarco had declared force majeure because of the strike at the Ozark mine. A fall of 775 tonnes in stocks reducing total holdings to 14,450 tonnes — the lowest level since October 1974 — took dealers by surprise since a modest increase had been forecast.

Nevertheless the decline in copper was the dominant influence. After the market eased trading it was announced in New York that a leading U.S. lead producer, RSR Corporation, had raised its domestic selling price for pure lead by three cents to 47 cents a pound.

Tin stocks were down more than expected by 260 tonnes to 1,875 tonnes. As forecast, aluminium stocks fell by 1,000 to 12,775 tonnes and zinc by 800 to 71,150 tonnes. LME silver holdings rose by 250,000 to 21,550,000 ounces. Tin prices held steady, encouraged by the rise in the Penang market over the weekend. But aluminium and zinc values both fell reflecting the downturn in copper.

Silver values were sharply lower. The London bullion spot quotation was slightly higher at the morning "fixing" at \$35.9p an ounce, but in the afternoon prices fell away and the LME cash price at the close was \$37.15p an ounce, 8.1p down on Friday.

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Shortage of logs in Malaysia

By Wong

LONDON STOCK EXCHANGE

Boom in equities continues although at slower pace
30-share index gains 3.9 to 519.3 Gilts well above lowest

Account Dealing Dates

First Declara- Last Account
Dealings tions Dealings Day
Feb. 26 Mar. 8 Mar. 23 Mar. 23
Mar. 12 Mar. 22 Mar. 23 Apr. 3
Mar. 26 Apr. 5 Apr. 6 Apr. 13

New time "dealings may take place from 9.30 am to 2.30 pm business days.

Business in the equity sections of stock markets yesterday continued on an impressive scale. Following the burst of activity and the sudden upsurge in values which erupted after hours on Friday, dealers had expected to find loose stock offered at the opening despite a favourable weekend Press. Instead, further investment buying developed with fresh institutional demand easily offsetting profit-taking sales.

A slightly confusing start in the gilt-edged market at 10 am set off some nervous selling in leading industrials, mainly reflecting profit-taking by professionals who had figured in last Thursday's and Friday's buying for new-time; some public holders were also selling first-line stocks but chiefly for immediate reinvestment in secondary issues.

The latter fared particularly well with double-figure gains commonplace in many areas and the FT-Actuaries Allshare index went on to a new record level of 358.84, a rise of one per cent more. Official markings, the only immediate if not the most accurate guide to the day's activity, rose to 8.950 the highest for over 18 months.

Slightly easier at the 11 am calculation, the FT-share index moved progressively higher and closed a net 3.9 up at the day's best of 519.3 to extend its rise over the past five trading sessions to 34.7. Of the index constituents, the new time index, John Brown, Turner and Newall and Vickers were notable with gains of between 5 and 8, while Beecham actually settled easier on balance.

The extent of an early mark-down in British Funds varied prior to the later recovery. Selected low-coupon issues went higher following small interest in a restricted market.

Rates for investment currency hardened in the later trade following demand for the purchase of overseas securities and the premium closed 13 points higher at 821 per cent yesterday's SE conversion factor was 0.7037 (0.7114).

Active conditions prevailed in the Traded Option market and by the close 3,118 contracts had been completed, only 59 fewer than last Friday's record of 3,177. Cons. Goldfields were particularly favoured, recording 456 deals, while GEC and Courtauld's totalled 392 and 266 deals respectively.

Caledonian Holdings firmed 5 to 161p compared with London and Midland Industrial's latest cash offer of 163p.

Merchant Banks firm

Merchant Banks claimed most of the attention in a quiet banking sector. Leopold Joseph rose 18 to 173p on buying in a thin market, while improvements of 10p and 5p respectively were recorded in Winttrust, 99p, and Hambros, 213p.

Willis Faber moved against the trend in insurances, falling 5 to 246p on nervous offerings ahead of new time. Second issues down 4 to 78p, the unwanted bid from Northern 3 off 83p, news that the latter's offer worth around 154p per share had become unconditional made no apparent impact. Contracting and Constructionals usually consolidated Friday's sharp gains, while in Cement, RMC, 156p, and Rugby Portland, 30p, added 5 pence, the latter aided by news of a second interim increase in cement prices. Cement Roadstone were quoted at 114p ex all, the new bid shares resulting from the rights issue closed at 38p premium. Buying in a thin market prompted a gain of 8 to 150p in Marshalls Halifax. Elsewhere, Parker Timber touched 147p awaiting the interim results, but shuddered on the statement to the effect that the company's balance sheet was in a restricted market, Travis and Arnold pushed up 16 to 206p. Marley were briskly traded and added 4 for a two-day rise of 12 to 97p.

A touch easier at the outset, ICI eased to 400p on small selling before firm demand brought a net gain of a penny at 405p. Among other Chemicals, buyers came in for Coates Brothers which firmed 5 to 81p. Algate rose 10 to 310p; news that talks are in progress with FMC which may lead to an offer came well after market hours and stimulated scattered buying interest in Yarrow which improved 8 to 350p.

Buyers eventually gained the upper hand in the Engineering leaders, with Tubes making further progress at 394p, up 6. John Brown put on a similar amount to 449p, while a fair amount of interest was shown in Vickers which improved 10 to 190p. Quite a lively trade developed in secondary issues. Demand persisted for British Aluminium, up 20 more at 955p, while Hall Engineering put on 6 to 123p awaiting Friday's preliminary results. Compair advanced 8 to 37p and slung rises were marked against Amalgamated Power, 136p, Williams and James, 190p, and Molins, 153p. A brisk demand developed for Laird Group, 84 to the good at 112p, while Newman Tonks also found support and gained 4 to 78p. Press comment stimulated scattered buying interest in Yarrow which improved 8 to 350p.

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issues were particularly favoured and MFI Furniture rose a further 15 to 390p, ahead of 12p. Weekend Press comment helped Lloyds C. Edwards to rise 6 to 52p.

Initial Services good

Secondary issues provided the main focal points in miscellaneous Industrials. Initial Services jumped 11 to 118p on the announcement that the group has sold its two loss-making French subsidiaries, while Penton added 12 to 142p following the favourable results and capital proposals. Weber Holdings added 20 to 160p in a restricted market and gains of between 12 and 18 took to Beeson Clark, 227p, De La Rue, 440p, Diploma Investments, 273p, and Smeaton, 60p. Smeaton, 167p, and Silenit, 120p, Down 194 late on Friday following the disclosure of a major discrepancy at its Greenbank subsidiary. Fairbairn Lawson rallied 4 to 44p. Bior hardened 3 to 51p on the results. The leaders continued to make progress apart from recent high-flier Beecham, which met profit-taking to close 6 easier at 702p, after 700p. Pilkington rose 13 to 350p, after 333p, and Beckett and Coleman put on 7 to 517p and Unilever 6 to 640p.

News that Coral Leisure's 6 per cent stake in the company had been placed with institutions prompted a gain of 31 to 901 in Associated Leisure. Fresh buying lifted Saga 9 to 244p.

In Motors, Rolls-Royce firmed 21 to 1004p in response to annual profits at the highest end of market estimates and the reduced half-time loss lifted H. Vaux 5 to 23p. Press comment prompted

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Oil steady
Ahead of Thursday's annual results, William Collins added 6 to 163p and the A improved 5 to 160p. Elsewhere in Newspapers and Publishers, fresh consideration of the recent results lifted Bristol Evening Post 8 to 138p. Weekend Press comment prompted a gain of 5 to 27p in Bertrams and a rise of 13 to 133p in Melody Mills.

Oil steady

Profit-taking clipped a penny or so from most leading Properties, but Capital and Counties attracted fresh demand and added 31 to 82p. Weekend Press comment prompted a gain of 5 to 122p in Samuel, while acquisition of a bid for the 73 per cent of the company's shares it does not already own, sparked off speculative buying of Lomax which jumped 8 to 78p. This in turn, prompted a rise of 7 to 180p in associated concerns. House of Fraser, Elsewhere, Jamaica Sugar put on 51 to 171p on

speculative support.
Trusts moved ahead on a broad front, with Camels outstanding at 370p, up 25, in response to Press mention. Press comment was also responsible for a jump of 25 to 185p in Robert Kitchen Taylor.

Scattered support was forthcoming for Textiles where Nottingham Manufacturing were particularly good at 144p, up 8. F. Miller put on 4 to 59p and while Hilt Bros, advanced 21 to 131p in smaller-printed issues. In contrast, Siddle eased a penny to 91p following the first-half profits warning.

Plantations were notable for a rise of 9 to 148p in Warren and an improvement of 15 to 275p in Sogema.

Further gains in Golds
Mining markets made a bright start to the week with overseas registered issues helped by a strengthening in the investment premium and South African stocks additionally boosted by the further rise in the Financial Rand.

Golds attracted a good demand throughout the day with buying interest reported from London and Johannesburg, despite the uncertain trend in the bullion price, finally 82 lower at \$288.875 per ounce.

Prior to the day's best levels prior to the New York opening and thereafter eased fractionally but still closed showing fairly substantial gains. The Gold Mines index, 6.5 up at 170.4, moved ahead for the fourth consecutive trading day, the premium index was 4.5 better at 118.3.

Widespread improvements in South African Financials reflected the tone in Golds. "Amco" responded to continued heavy and persistent Johannesburg buying which left the shares 90 better at a 1978-79 high of 800p.

London-registered Financials, which have lagged behind the recent strong rise in the equity market, made some progress. New highs for 1978-79 were seen in Selection Trust, 30 up at 540p. Gold Fields 3 firmed at 216p, and Rio Tinto-Zinc, 3 harder at 313p. Charter added 6 at 187p.

Diamond exploration stocks were outstanding in Australia. Namco Gold rose 5 to 40p while Samantha Exploration gained 4 to 48p. The latter following the deal with Western Seleart and MIM Holdings.

Tins were marked up reflecting the improved profits and increased dividend declarations from Ayer Hitam, 10 better at 395p, and Southern Malaysian, 15 firmer at a 1978-79 high of 490p.

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FINANCIAL TIMES STOCK INDICES

| | March 12 | March 9 | March 8 | March 7 | March 6 | March 5 | March 4 |
|-----------------------|----------|---------|---------|---------|---------|---------|---------|
| Government Secs. | 72.83 | 72.00 | 72.10 | 71.80 | 71.15 | 71.57 | 72.66 |
| Fixed Interest | 72.78 | 73.03 | 73.08 | 72.01 | 71.67 | 72.85 | 73.54 |
| Industrial | 519.3 | 515.4 | 500.3 | 495.9 | 486.2 | 484.6 | 480.9 |
| Gold Mines | 170.4 | 163.9 | 161.7 | 160.0 | 159.0 | 161.2 | 161.4 |
| Gold Mines Ex-Spm | 119.5 | 115.4 | 115.0 | 114.0 | 113.4 | 113.9 | 114.4 |
| Ord. Div. Yield | 5.40 | 5.44 | 5.61 | 5.66 | 5.79 | 5.79 | 5.79 |
| Earnings Yld % (Vol) | 14.01 | 14.10 | 14.54 | 14.69 | 15.12 | 15.12 | 15.12 |
| P/E Ratio (net) (*) | 9.29 | 9.25 | 9.85 | 9.86 | 9.57 | 9.57 | 9.57 |
| Dealings marked | 8,950 | 7,303 | 7,300 | 6,789 | 6,485 | 6,734 | 8,392 |
| Equity turnover £m. | 214.18 | 150.00 | 156.22 | 97.33 | 13.55 | 94.01 | 94.01 |
| Equity bargains total | 36,271 | 23,715 | 27,872 | 21,349 | 50 | 787 | 15,399 |

10 am 517.4, 11 am 515.0, Noon 516.6, 1 pm 517.1, 2 pm 517.2, 3 pm 518.3, 4 pm 519.3

Latest Index 519.35

* Net = 8.01

Based on Govt. Secs. 15/10/75. Fixed int. 1928. Industrial 1977-78. Gold Mines 1978/79. Ex-Spm premium index started June, 1978. SE Activity July-Dec. 1947.

HIGHS AND LOWS

| | 1978-9 | Since Completion | High | Low | High | Low | S.E. ACTIVITY |
|-------------------|--------|------------------|-------|-------|-------|-------|---------------|
| Govt Secs. | 72.83 | 64.84 | 127.4 | 49.18 | 72.83 | 49.18 | 136.4 |
| Fixed Int. | 72.78 | 65.77 | 150.4 | 50.53 | 72.78 | 50.53 | 136.4 |
| Ind. Ord. | 519.3 | 435.4 | 149.3 | 49.4 | 519.3 | 49.4 | 136.4 |
| Gold Mines | 206.5 | 124.1 | 442.3 | 43.5 | 206.5 | 43.5 | 136.4 |
| Gold Mines Ex-Spm | 133.3 | 90.5 | 337.1 | 54.3 | 133.3 | 54.3 | 136.4 |

5-cp. Av'ge
Ed. Edited
Industrial
Speculative
Total

ACTIVE STOCKS

| Stock | Denomina- tion | No. marks | Closing price (p) | Change on day | 1978-79 high | 1978-79 low |
|------------------|-------------------|--------------|----------------------|------------------|-----------------|----------------|
| BP | £1 | 1,118 | +2 | 1,120 | 720 | 720 |
| ICI | £1 | 13 | 405 | +1 | 421 | 320 |
| Shell Transport | 25p | 12 | 700 | +2 | 702 | 680 |
| Barclays Bank | £1 | 11 | 430 | -1 | 435 | 380 |
| Beecham | 25p | 11 | 702 | -3 | 720 | 680 |
| GEC | 25p | 11 | 383 | -2 | 385 | 320 |
| Status Discount | 10p | 11 | 824 | +11 | 84 | 84 |
| Lomax | 25p | 10 | 78 | -1 | 78 | 80 |
| Midland Bank | £1 | 10 | 400 | +3 | 410 | 330 |
| Allied Breweries | 25p | 9 | 84 | -1 | 85 | 80 |
| Brammer (H.) | Nil/pd. | 9 | 350m | - | 410m | 350m |
| Brit. Home Sis. | 25p | 9 | 320 | +9 | 322 | 270 |
| Marks & Spencer | 25p | 9 | 104 | +1 | 104 | 80 |
| Grand Met. | 50p | 8 | 145 | +2 | 145 | 80 |
| GUS A | 25p | 8 | 380 | +12 | 380 | 350 |

NEW HIGHS AND LOWS FOR 1978/9

The following securities noted in the Share Information Service yesterday attained new highs or lows for 1978-79.

| NEW HIGHS (421) | NEW LOWS (3) |
|---|--|
| FOREIGN BONDS (11) BANKS (5) BUILDINGS (28) DEVELOPMENT (10) ELECTRICITY (14) FOODS (14) HOTELS (10) INDUSTRIALS (188) INSURANCE (35) LEISURE (15) NEWSPAPERS (4) PROPERTY (27) PAPER (10) RETAIL (10) SHOPS (10) TELECOMS (10) TOBACCO (10) TRAVEL (10) UTILITIES (10) | WATER & POWER (1) SOUTH-WEST (1) INDUSTRIAL (1) HOTEL (1) |

RISES AND FALLS YESTERDAY

| British Funds, etc. | Up | Down | Unch. |
|---------------------|-----|------|-------|
| Corpor. Bonds | 18 | 4 | 5 |
| Foreign Bonds | 28 | 17 | 6 |
| Industrial | 237 | 178 | 10 |
| Financial and Prop. | 28 | 47 | 14 |
| Government | 10 | 2 | 2 |
| Plantation | 10 | 2 | 2 |
| Metals | 10 | 2 | 2 |
| Recent Issues | 10 | 2 | 2 |
| Totals | 378 | 280 | 51 |

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

| | Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 33%) | P/E Ratio (Max.) | Index No. | Index No. | Index No. | Index No. |
|--|-----------|----------------|------------------------------|---------------------------------|------------------|-----------|-----------|-----------|-----------|
| in parentheses show number of stocks per section | | | | | | | | | |
| CAPITAL GOODS (172) | 260.59 | +1.2 | 15.54 | 5.14 | 8.74 | 257.88 | 249.40 | 246.38 | 242.87 |
| Building Materials (28) | 238.05 | +2.0 | 16.18 | 5.31 | 8.48 | 233.47 | 224.80 | 219.78 | 216.85 |
| Contracting, Construction (28) | 295.84 | +1.8 | 15.41 | 5.18 | 7.24 | 286.87 | 273.36 | 269.58 | 265.82 |
| Electricals (14) | 620.39 | +2.1 | 16.44 | 5.83 | 8.23 | 612.94 | 598.79 | 587.67 | 581.18 |
| Engineering Contractors (12) | 399.66 | +1.5 | 16.88 | 5.67 | 8.01 | 393.26 | 380.79 | 377.17 | 373.87 |
| Mechanical Engineering (74) | 198.68 | +1.8 | 16.76 | 5.61 | 7.97 | 195.15 | 188.22 | 185.15 | 182.15 |
| Metals and Metal Forming (16) | 175.57 | +0.5 | 15.79 | 5.33 | 8.50 | 175.16 | 169.92 | 166.92 | 164.92 |
| CONSUMER GOODS | | | | | | | | | |
| DURABLE (53) | 233.77 | +0.6 | 13.36 | 4.43 | 8.68 | 232.38 | 227.65 | 224.84 | 222.84 |
| Li. Electronics, Radio, TV (16) | 311.82 | +0.2 | 12.49 | 4.39 | 11.23 | 310.35 | 303.10 | 296.38 | 292.84 |
| Household Goods (12) | 164.13 | -0.2 | 18.06 | 6.67 | 7.64 | 164.04 | 161.81 | 160.66 | 159.21 |
| Motors and Distributors (25) | 125.96 | +1.6 | 16.53 | 6.72 | 6.96 | 124.94 | 122.17 | 121.00 | 119.25 |
| NON-DURABLE (170) | | | | | | | | | |
| Breweries (14) | 246.06 | +1.2 | 14.21 | 5.36 | 9.26 | 243.18 | 235.18 | 231.14 | 228.49 |
| Wines and Spirits (6) | 390.64 | +0.8 | 14.52 | 5.72 | 8.70 | 388.45 | 377.71 | 376.72 | 374.61 |
| Entertainment, Catering (17) | 322.45 | +1.3 | 13.66 | 5.87 | 9.67 | 318.34 | 309.86 | 307.76 | 305.18 |
| Food Manufacturing (17) | 222.15 | +0.7 | 14.69 | 4.93 | 7.98 | 220.78 | 216.40 | 213.47 | 211.17 |
| Food Retailing (15) | 286.70 | +2.1 | 11.26 | 4.11 | 12.08 | 284.78 | 279.78 | 276.65 | 273.61 |
| Newspapers, Publishing (12) | 428.83 | +1.3 | 19.16 | 5.77 | 7.40 | 422.36 | 414.57 | 408.65 | 404.83 |
| Packaging and Paper (15) | 159.73 | +1.6 | 16.79 | 6.99 | 7.77 | 158.41 | 146.68 | 145.76 | 144.78 |
| Stores (40) | 234.91 | +1.6 | 10.42 | 4.09 | 13.74 | 232.26 | 224.68 | 219.94 | 215.17 |
| Textiles (23) | 185.37 | +1.1 | 17.46 | 8.21 | 7.41 | 183.35 | 180.09 | 178.11 | 176.11 |
| Tobaccos (3) | 294.86 | +1.0 | 19.32 | 6.98 | 5.95 | 292.02 | 277.44 | 276.33 | 274.33 |
| Tobacco and Games (6) | 91.36 | +0.7 | 16.29 | 7.21 | 8.20 | 90.78 | 89.61 | 88.38 | 87.15 |
| OTHER GROUPS (99) | 228.61 | +0.9 | 13.88 | 7.33 | 9.30 | 228.61 | 224.11 | 220.78 | 218.18 |
| Chemicals (28) | 130.36 | +1.6 | 16.28 | 7.13 | 11.37 | 128.62 | 126.37 | 125.27 | 124.17 |
| Chemical and Pharmaceutical Products (7) | 229.61 | +0.2 | 10.14 | 4.25 | 11.94 | 227.40 | 224.07 | 221.77 | 219.27 |
| Office Equipment (6) | 150.17 | +1.1 | 13.44 | 5.41 | 9.37 | 148.86 | 146.19 | 143.99 | 141.57 |
| Shipbuilding (10) | 483.38 | +0.8 | 14.83 | 7.05 | 9.94 | 477.93 | 475.94 | 473.99 | 471.99 |
| Miscellaneous (58) | 240.23 | +1.9 | 15.96 | 5.95 | 8.34 | 236.60 | 229.19 | 227.46 | 224.44 |
| INDUSTRIAL GROUP (494) | | | | | | | | | |
| Aluminum (6) | 251.09 | +2.1 | 14.55 | 3.31 | 9.09 | 247.61 | 240.52 | 236.79 | 232.21 |
| Automotive (6) | 625.48 | +0.2 | 11.17 | 3.57 | 9.74 | 625.96 | 615.32 | 609.52 | 603.88 |
| Chemical (10) | 139.40 | +0.7 | 13.99 | 4.99 | 9.19 | 138.40 | 136.11 | 134.11 | 132.11 |
| FINANCIAL GROUP (115) | | | | | | | | | |
| Banking (10) | 198.40 | +0.8 | 15.07 | 5.07 | 7.98 | 198.11 | 196.81 | 195.71 | 194.61 |
| Discount Houses (6) | 233.98 | -1.4 | 28.65 | 5.20 | 4.57 | 235.30 | 233.78 | 232.48 | 231.28 |
| Insurance (Life) (10) | 245.66 | +0.5 | - | 7.52 | - | 244.53 | 243.78 | 243.12 | 242.59 |
| Life Insurance (Life) (10) | 181.97 | -0.2 | 17.72 | 8.84 | 7.25 | 182.21 | 181.21 | 179.54 | 178.29 |
| Life Insurance (Life) (10) | 154.76 | +3.6 | - | 6.67 | - | 149.35 | 146.21 | 143.14 | 139.54 |
| Life Insurance (Life) (10) | 144.33 | +2.1 | 16.47 | 5.69 | 9.90 | 141.33 | 138.96 | 136.85 | 134.75 |
| Life Insurance (Life) (10) | 129.40 | +1.6 | 14.47 | 5.99 | 9.90 | 128.39 | 127.39 | 126.39 | 125.39 |
| Life Insurance (Life) (10) | 89.60 | +2.2 | 14.47 | 5.99 | 9.90 | 88.59 | 87.59 | 86.59 | 85.59 |
| Life Insurance (Life) (10) | 333.87 | +0.5 | 32.04 | 6.24 | 49.96 | 332.21 | 328.95 | 326.80 | 324.71 |
| Life Insurance (Life) (10) | 125.23 | +1.7 | 18.01 | 6.32 | 9.90 | 123.13 | 122.55 | 121.99 | 121.43 |
| FINANCIAL GROUP (111) | | | | | | | | | |
| Life Insurance (Life) (10) | 235.01 | +2.1 | 14.46 | 4.46 | - | 230.06 | 224.81 | 219.57 | 214.33 |
| Life Insurance (Life) (10) | 131.83 | +2.0 | 14.26 | 4.46 | 8.64 | 129.29 | 128.74 | 128.24 | 127.74 |
| Life Insurance (Life) (10) | 365.20 | +1.6 | 13.76 | 4.94 | 9.23 | 358.03 | 351.51 | 345.01 | 338.51 |
| FINANCIAL GROUP (730) | | | | | | | | | |
| Life Insurance (Life) (10) | 258.84 | +1.0 | 5.04 | - | - | 256.23 | 249.11 | 246.21 | 243.15 |

[illegible]

INDUSTRIALS—Continued

| 1978-79 | Low | High | Stock | Price | 1978-79 | Low | High | Stock | Price |
|---------|-----|------|-------------------|-------|---------|-----|------|-------------------|-------|
| 100 | 100 | 100 | British Petroleum | 100 | 100 | 100 | 100 | British Petroleum | 100 |
| 101 | 101 | 101 | Shell | 101 | 101 | 101 | 101 | Shell | 101 |
| 102 | 102 | 102 | Esso | 102 | 102 | 102 | 102 | Esso | 102 |
| 103 | 103 | 103 | Amoco | 103 | 103 | 103 | 103 | Amoco | 103 |
| 104 | 104 | 104 | Exxon | 104 | 104 | 104 | 104 | Exxon | 104 |
| 105 | 105 | 105 | BP | 105 | 105 | 105 | 105 | BP | 105 |
| 106 | 106 | 106 | Shell | 106 | 106 | 106 | 106 | Shell | 106 |
| 107 | 107 | 107 | Esso | 107 | 107 | 107 | 107 | Esso | 107 |
| 108 | 108 | 108 | Amoco | 108 | 108 | 108 | 108 | Amoco | 108 |
| 109 | 109 | 109 | Exxon | 109 | 109 | 109 | 109 | Exxon | 109 |
| 110 | 110 | 110 | BP | 110 | 110 | 110 | 110 | BP | 110 |
| 111 | 111 | 111 | Shell | 111 | 111 | 111 | 111 | Shell | 111 |
| 112 | 112 | 112 | Esso | 112 | 112 | 112 | 112 | Esso | 112 |
| 113 | 113 | 113 | Amoco | 113 | 113 | 113 | 113 | Amoco | 113 |
| 114 | 114 | 114 | Exxon | 114 | 114 | 114 | 114 | Exxon | 114 |
| 115 | 115 | 115 | BP | 115 | 115 | 115 | 115 | BP | 115 |
| 116 | 116 | 116 | Shell | 116 | 116 | 116 | 116 | Shell | 116 |
| 117 | 117 | 117 | Esso | 117 | 117 | 117 | 117 | Esso | 117 |
| 118 | 118 | 118 | Amoco | 118 | 118 | 118 | 118 | Amoco | 118 |
| 119 | 119 | 119 | Exxon | 119 | 119 | 119 | 119 | Exxon | 119 |
| 120 | 120 | 120 | BP | 120 | 120 | 120 | 120 | BP | 120 |
| 121 | 121 | 121 | Shell | 121 | 121 | 121 | 121 | Shell | 121 |
| 122 | 122 | 122 | Esso | 122 | 122 | 122 | 122 | Esso | 122 |
| 123 | 123 | 123 | Amoco | 123 | 123 | 123 | 123 | Amoco | 123 |
| 124 | 124 | 124 | Exxon | 124 | 124 | 124 | 124 | Exxon | 124 |
| 125 | 125 | 125 | BP | 125 | 125 | 125 | 125 | BP | 125 |
| 126 | 126 | 126 | Shell | 126 | 126 | 126 | 126 | Shell | 126 |
| 127 | 127 | 127 | Esso | 127 | 127 | 127 | 127 | Esso | 127 |
| 128 | 128 | 128 | Amoco | 128 | 128 | 128 | 128 | Amoco | 128 |
| 129 | 129 | 129 | Exxon | 129 | 129 | 129 | 129 | Exxon | 129 |
| 130 | 130 | 130 | BP | 130 | 130 | 130 | 130 | BP | 130 |
| 131 | 131 | 131 | Shell | 131 | 131 | 131 | 131 | Shell | 131 |
| 132 | 132 | 132 | Esso | 132 | 132 | 132 | 132 | Esso | 132 |
| 133 | 133 | 133 | Amoco | 133 | 133 | 133 | 133 | Amoco | 133 |
| 134 | 134 | 134 | Exxon | 134 | 134 | 134 | 134 | Exxon | 134 |
| 135 | 135 | 135 | BP | 135 | 135 | 135 | 135 | BP | 135 |
| 136 | 136 | 136 | Shell | 136 | 136 | 136 | 136 | Shell | 136 |
| 137 | 137 | 137 | Esso | 137 | 137 | 137 | 137 | Esso | 137 |
| 138 | 138 | 138 | Amoco | 138 | 138 | 138 | 138 | Amoco | 138 |
| 139 | 139 | 139 | Exxon | 139 | 139 | 139 | 139 | Exxon | 139 |
| 140 | 140 | 140 | BP | 140 | 140 | 140 | 140 | BP | 140 |
| 141 | 141 | 141 | Shell | 141 | 141 | 141 | 141 | Shell | 141 |
| 142 | 142 | 142 | Esso | 142 | 142 | 142 | 142 | Esso | 142 |
| 143 | 143 | 143 | Amoco | 143 | 143 | 143 | 143 | Amoco | 143 |
| 144 | 144 | 144 | Exxon | 144 | 144 | 144 | 144 | Exxon | 144 |
| 145 | 145 | 145 | BP | 145 | 145 | 145 | 145 | BP | 145 |
| 146 | 146 | 146 | Shell | 146 | 146 | 146 | 146 | Shell | 146 |
| 147 | 147 | 147 | Esso | 147 | 147 | 147 | 147 | Esso | 147 |
| 148 | 148 | 148 | Amoco | 148 | 148 | 148 | 148 | Amoco | 148 |
| 149 | 149 | 149 | Exxon | 149 | 149 | 149 | 149 | Exxon | 149 |
| 150 | 150 | 150 | BP | 150 | 150 | 150 | 150 | BP | 150 |
| 151 | 151 | 151 | Shell | 151 | 151 | 151 | 151 | Shell | 151 |
| 152 | 152 | 152 | Esso | 152 | 152 | 152 | 152 | Esso | 152 |
| 153 | 153 | 153 | Amoco | 153 | 153 | 153 | 153 | Amoco | 153 |
| 154 | 154 | 154 | Exxon | 154 | 154 | 154 | 154 | Exxon | 154 |
| 155 | 155 | 155 | BP | 155 | 155 | 155 | 155 | BP | 155 |
| 156 | 156 | 156 | Shell | 156 | 156 | 156 | 156 | Shell | 156 |
| 157 | 157 | 157 | Esso | 157 | 157 | 157 | 157 | Esso | 157 |
| 158 | 158 | 158 | Amoco | 158 | 158 | 158 | 158 | Amoco | 158 |
| 159 | 159 | 159 | Exxon | 159 | 159 | 159 | 159 | Exxon | 159 |
| 160 | 160 | 160 | BP | 160 | 160 | 160 | 160 | BP | 160 |
| 161 | 161 | 161 | Shell | 161 | 161 | 161 | 161 | Shell | 161 |
| 162 | 162 | 162 | Esso | 162 | 162 | 162 | 162 | Esso | 162 |
| 163 | 163 | 163 | Amoco | 163 | 163 | 163 | 163 | Amoco | 163 |
| 164 | 164 | 164 | Exxon | 164 | 164 | 164 | 164 | Exxon | 164 |
| 165 | 165 | 165 | BP | 165 | 165 | 165 | 165 | BP | 165 |
| 166 | 166 | 166 | Shell | 166 | 166 | 166 | 166 | Shell | 166 |
| 167 | 167 | 167 | Esso | 167 | 167 | 167 | 167 | Esso | 167 |
| 168 | 168 | 168 | Amoco | 168 | 168 | 168 | 168 | Amoco | 168 |
| 169 | 169 | 169 | Exxon | 169 | 169 | 169 | 169 | Exxon | 169 |
| 170 | 170 | 170 | BP | 170 | 170 | 170 | 170 | BP | 170 |
| 171 | 171 | 171 | Shell | 171 | 171 | 171 | 171 | Shell | 171 |
| 172 | 172 | 172 | Esso | 172 | 172 | 172 | 172 | Esso | 172 |
| 173 | 173 | 173 | Amoco | 173 | 173 | 173 | 173 | Amoco | 173 |
| 174 | 174 | 174 | Exxon | 174 | 174 | 174 | 174 | Exxon | 174 |
| 175 | 175 | 175 | BP | 175 | 175 | 175 | 175 | BP | 175 |
| 176 | 176 | 176 | Shell | 176 | 176 | 176 | 176 | Shell | 176 |
| 177 | 177 | 177 | Esso | 177 | 177 | 177 | 177 | Esso | 177 |
| 178 | 178 | 178 | Amoco | 178 | 178 | 178 | 178 | Amoco | 178 |
| 179 | 179 | 179 | Exxon | 179 | 179 | 179 | 179 | Exxon | 179 |
| 180 | 180 | 180 | BP | 180 | 180 | 180 | 180 | BP | 180 |
| 181 | 181 | 181 | Shell | 181 | 181 | 181 | 181 | Shell | 181 |
| 182 | 182 | 182 | Esso | 182 | 182 | 182 | 182 | Esso | 182 |
| 183 | 183 | 183 | Amoco | 183 | 183 | 183 | 183 | Amoco | 183 |
| 184 | 184 | 184 | Exxon | 184 | 184 | 184 | 184 | Exxon | 184 |
| 185 | 185 | 185 | BP | 185 | 185 | 185 | 185 | BP | 185 |
| 186 | 186 | 186 | Shell | 186 | 186 | 186 | 186 | Shell | 186 |
| 187 | 187 | 187 | Esso | 187 | 187 | 187 | 187 | Esso | 187 |
| 188 | 188 | 188 | Amoco | 188 | 188 | 188 | 188 | Amoco | 188 |
| 189 | 189 | 189 | Exxon | 189 | 189 | 189 | 189 | Exxon | 189 |
| 190 | 190 | 190 | BP | 190 | 190 | 190 | 190 | BP | 190 |
| 191 | 191 | 191 | Shell | 191 | 191 | 191 | 191 | Shell | 191 |
| 192 | 192 | 192 | Esso | 192 | 192 | 192 | 192 | Esso | 192 |
| 193 | 193 | 193 | Amoco | 193 | 193 | 193 | 193 | Amoco | 193 |
| 194 | 194 | 194 | Exxon | 194 | 194 | 194 | 194 | Exxon | 194 |
| 195 | 195 | 195 | BP | 195 | 195 | 195 | 195 | BP | 195 |
| 196 | 196 | 196 | Shell | 196 | 196 | 196 | 196 | Shell | 196 |
| 197 | 197 | 197 | Esso | 197 | 197 | 197 | 197 | Esso | 197 |
| 198 | 198 | 198 | Amoco | 198 | 198 | 198 | 198 | Amoco | 198 |
| 199 | 199 | 199 | Exxon | 199 | 199 | 199 | 199 | Exxon | 199 |
| 200 | 200 | 200 | BP | 200 | 200 | 200 | 200 | BP | 200 |

INSURANCE—Continued

| 1978-79 | | Low | | High | | Stock | | Price | | 1978-79 | | Low | | High | | Stock | | Price | |
|---------|-----|-----|-----|------|-----|-------|-----|-------|-----|---------|-----|-----|-----|------|-----|-------|-----|-------|-----|
| 38 | 167 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 194 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 |
| 194 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 |
| 448 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 |
| 448 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 |
| 178 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 |
| 118 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | 134 | | | | | | | | | |

